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20 JANUARY 1988



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# ***JPRS Report***

# **Latin America**

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# Latin America

JPRS-LAM-88-004

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**Communist Inroads in Education Sector Surveyed**  
33480040b Buenos Aires LA PRENSA in Spanish  
30 Nov 87 p 7

[Article by Carlos Manuel Acuna: "The ERP in Argentine Education"]

[Text] A few days ago in this same column we commented on a new step by the Ministry of Education and Justice to keep the education sector within the revolutionary guidelines that have begun to be introduced in Argentina's school system. We mentioned that the ministry simply decided, through the director of intermediate education, Mrs Maria Cristina Vesco de Carranza (a name to remember when all this is behind us), to create a "special corps" of educational "inspectors," in disregard of every existing law, because teachers and professors were refusing to allow themselves to be manipulated ideologically and politically. Its members, stylish young people who seem cut from the same cloth, arrive unexpectedly at schools and ask a series of questions that do not yet openly suggest the specific purpose of their visit. Their visit can only be interpreted as a second mechanism of applying pressure in light of the failure of the "classes" and "workshops" designed to bring about a change in values, principles and even customs, as happened with the famous sex-education meetings in the Green Room at Pizzurno Palace, the female adviser and the Mendocino audiovisual method, and now, with the distribution of condoms free of charge (oddly enough, of a single brand), as is happening in several coed schools, a matter that we will treat separately another day because of its importance.

This incomplete gamut of pressures is now being complemented by the inclusion of students on the examining boards of the National Universities of Cordoba and Mar del Plata, the upcoming extension of such a move to other jurisdictions (with the students being able to challenge the exams), and Circular No 71, signed by the aforementioned Mrs Vesco de Carranza. In far from clear language this document stipulates that those teachers who are chosen for retirement because of their circumstances must abide by the measure, which "must be strictly complied with." In fact, if a teacher appeals the decision, special red tape will be created to implement the discharge, while the appeal will become part of a bureaucratic effort "in the main file."

This odd initiative implemented through the Undersecretariat of Education will mean the immediate ouster of every teacher who does not agree to comply with the revolutionary and Gramscian directives that will openly be carried out as of next year. Furthermore, we can say that the precise targets are those more experienced and better trained teachers who will be most reluctant to accept substantial modifications in the guidelines for values and for conduct towards students; they will now be prevented from exercising their constitutional right to appeal improper administrative measures.

**The Cubans and Psychiatry**

This entire matter that we are commenting on cannot be divorced from other concurrent developments, such as the signing of a "Scientific and Technical Cooperation Agreement" on 10 September of this year in Havana (we reported on it several weeks back). Under the agreement the Cuban regime will send Argentina 240 "technicians and specialists" in various disciplines to instruct us in the best methods of bringing about a more severe economic regression and an ideological transfiguration such as characterizes the island's society. The agreement in question, which Mr Caputo's Foreign Ministry did not promote here, no doubt for reasons of political "prudence," comprises in its 11 pages all of the areas that the Cubans will attend to in our country. Prominent among them are energy, nuclear power, agriculture, communications and, obviously, education through "scientific and technical research," to be conducted by Argentina's CONICET [National Council for Scientific and Technological Research] and Cuba's Academy of Sciences.

As if this were not enough, we should underscore how quickly our Foreign Relations and Worship Ministry granted visas to Cuban delegates or officials, in particular to the six delegates of Fidel Castro to the "Latin American Congress of the Association of Psychiatry of Latin America." Psychiatry achieved striking local influence in the drafting of the new programs "of educational study and training," in particular the ones implemented in the schools operating under the Municipal Intendancy of the City of Buenos Aires and the province of Buenos Aires.

Since all of these things have first and last names, besides those of Jorge Sabato, Adolfo Stubrin, Mrs Vesco de Carranza and Foreign Minister Caputo, we can add, just as an example, that 46-year old Jose Antonio Blanco Gil (diplomatic passport No 9181) is scheduled to arrive on 4 December on flight AR 452. He is a high-level official on the Central Committee of the Cuban Communist Party and will now be working in our country, given the all-around importance that the interests of Cuban Marxism have acquired and will acquire here.

**Stubrin, the Plural Foundation and the ERP [People's Revolutionary Army]**

Coincidentally and as an additional vehicle for applying pressure in education, the nation's Education Secretariat last October began circulating free of charge a magazine entitled ESPACIO PUBLICO. It is the work of the "Plural Foundation," which is allied with the administration and "rents" offices from the Interior Ministry. The magazine's main mission is to publicize and promote the Marxist ideas of the Italian philosopher Antonio Gramsci in key segments of society and among the public in general.

Why are we connecting the ERP with this matter? We shall soon see. First, however, let us mention that in the magazine's first issue young Adolfo Stubrin signed the introductory editorial, saying that the publication "begins a new dialogue between teachers and the Education Secretariat" that "will make possible other open and alternative forums for dialogue." On the second page appears an article by Professor Vesco de Carranza, and on the third a promotional advertisement of Resolution No 121 of the national director of higher education, Mr Ovide Menin, whom we all know and who is famous for so many reasons. The resolution authorizes institutes of higher education and those connected with higher-level teachers training schools "to incorporate student aides into the classroom." This is very much like what is happening in Cordoba; in a word, it is another of the revolutionary tools in the plan to gradually transform education. Of course there is also talk of education that is "liberating through assistance" (?), of assuring "familiarity with the authentic historic and cultural reality" and of the State having to assume "the indispensable, unavoidable and not to be delegated function of planning, promoting, directing, perfecting and supervising the Argentine educational system." It says nothing, however, about the success of the ideas that promote academic freedom, as was the case at the assemblies of the Pedagogical Congress, where that approach to Argentine society was victorious.

Will the next issue thus mention why and how the statist ruling party was defeated in the federal capital and Mar del Plata? If it does, it will include a corresponding assessment. We can rest assured, however, that it will not, because even though a Marxist position has not yet been wholly embraced, the managers of ESPACIO PUBLICO have direct links to the "Socialist Culture Club," which publishes the magazine LA CIUDAD FUTURA. This is the same title as the pamphlet that Gramsci published in Italy and that seeks to present socialism as a political and institutional alternative that is "irreversible in the national future."

Among the managers of ESPACIO PUBLICO are Susana Itzcovich, Pilar Tadei, Lidia Saiegm (the latter a contributor to PLURAL, the mouthpiece of the foundation of the same name) and lastly, the main guide, Ricardo Nudelman, who is the co-editor of LA CIUDAD FUTURA.

We cannot continue this report without touching once more on the oft-mentioned "Plural Foundation." Many things have been said about it, and many more will be,

especially its unofficial, de facto links with the so-called "Grupo Esmeralda" [Emerald Group], which brings together "social researchers" who prepare political projects and studies plans that the Executive Branch later utilizes to promote the ideology of international social democracy.

Now then, what is this about ties to the ERP? The fact is that ESPACIO PUBLICO is printed by the "Sociedad Impresora Argentina S.A.," which has its offices at 153-157 Lavarden in the federal capital. This is the same firm that prints the fortnightly ENTRE TODOS, the press organ of the "All for the Homeland Movement," whose leader is Marta Fernandez, who has a lengthy track record as an activist in the Revolutionary Workers Party (PRT) and in the ERP.

ENTRE TODOS clearly reflects the ERP ideology and promotes anything that favors subversion tactically or strategically. It could not be otherwise.

So then...why does everything come together in the same interests, in the same organizations, in the same ideas and in the same individuals?

The answer is simple, made even easier by the reiteration of concepts, ideas, common phrases and arguments that at times appear simple and superficial but that by dint of repetition leave their mark, which over time and ever more quickly grows deeper and persistently seeks to prevail in all arenas.

Teachers will now know what to expect when copies of the monthly ESPACIO PUBLICO reach their hands, even the teachers at the Nicolas Avellaneda School, some of whom are annoyed because we reported on the outrageous new things that are happening there. The magazine is a clear-cut expression of the revolutionary plans for education.

Thus, they will be unable to ignore that its content is something more than "transforming." From now on they must be prepared to see that from its pages, from the articles that it will call for and from the proposals that it will include for bringing about "liberating education" will emerge a scientifically developed method for applying pressure and winning over supporters, which the ruling party is willing to implement to the bitter end, until it too is defeated in this arena by the strength of numbers and the power of the immovable idea of liberty.



**Text of Forde Address to BLP Annual Conference**  
32980083a Bridgetown *DAILY NATION* in English  
16 Nov 87 pp 4, 9, 10, 12

[Address by Henry Forde, leader of the Barbados Labor Party (BLP), at the party's 49th annual conference in Bridgetown 15 November 1987]

[Text] Ladies and gentlemen, Comrades and friends:

It is with a deep sense of humility that I stand before you today to address this, the 49th annual conference of the Barbados Labour Party (BLP). I wish to extend a warm welcome to our comrades and friends and our distinguished guests.

The conference chairman has already official welcomed our special friend guest speaker, Ed Broadbent, and his warm and charming wife, Lucille.

We have employed every moment of their visit here. We have been treated to an outstanding address from Ed, and for many years to come we will be recalling the thoughts, ideas and perceptions which he has so clearly this morning expressed and shared with us.

His visit underscores the continuing need for our party to deepen its association with other sister parties of the democratic socialist international world. We must maintain constant contact with likeminded parties in Latin America, the Caribbean and North America.

During the year we have had beneficial exchanges with the NDP (New Democratic Party) both at the federal and provincial level. The se contacts will be pursued and deepened in the coming year.

**Political Wisdom**

We will also seek to revitalise the relationships which formerly existed between ourselves and other fraternal parties in the CARICOM region and to set up a mechanism for constant consultations and the sharing of ideas and resources. For it is our conviction that our party has much political wisdom to offer not only Barbados but the wider world as well.

The BLP was founded just over 49 years ago by farsighted men and women committed to removing the dark stains of poverty, economic deprivation and social injustice which had disfigured our island.

They were courageous men and women imbued with a reforming zeal, with but a simple wish to leave our island a better place than they found it. We are the inheritors of their dreams, the beneficiaries of their efforts, who in our time, have the inescapable duty to build a more just society.

I say farsighted men and women because the BLP remains the oldest popular political movement in the English-speaking Caribbean. Its inauguration on March 31, 1938, predates both the People's National Party of Jamaica, founded on September 18, 1938, and the Jamaica Labour Party which was launched in July 1943.

**Detractors**

There are those detractors who wish to re-write history and to remove the party's achievements from the annals of our land. It is appropriate, therefore, as we approach our 50th anniversary, that I say just a few words about the early achievements of the BLP.

This is particularly important also at this time when we celebrate the 21st year of our independence, when the total national propaganda effort—perpetrated by the Democratic Labour Party (DLP)—is aimed at implanting in the minds of our young people the fallacy that the history of Barbados began in 1961 and that the years 1976-1986 should be obliterated from the national calendar.

It is with a great sense of pride that I invite you to recall the fundamental relationship between the BLP and the Barbados Workers' Union. Those who seek to re-write history for narrow partisan purposes and who masquerade as social scientists, historians and even ministers of religion do their callings no good by seeking to distort the facts.

They must be constantly reminded that unionism in Barbados owes its foundation and its growth to the vision and hard work of the founding fathers of the BLP. It is a legacy of which we can be justly proud.

I had occasion recently to re-read Sir Alexander Hoyos' Story of the Progressive Movement, published in mid-1948, ten years after the founding of our party.

Mr. F.A. Hoyos, as he then was, looked back on the first decade of spectacular achievement—the birth of the trade union movement and the labour and social legislation resulting from the first labour administration in the period 1946-1948.

He reminds us that the first energetic and dynamic Labour Party administration gave their sanction to a number of important measures.

**Funds**

For example, funds were provided to expand the fishing industry, to provide unemployment relief work, for the repair of tenantry roads, for the subsidisation of essential foodstuffs, for the provision of a better water supply, for the rehabilitation of ex-servicemen, for increased bonuses to government pensioners and for a deep water harbour survey.

To young people, unfamiliar with the realities of colonial Barbados, these might not appear to have been significant achievements; but in the context of their time they represented important rewards for the unstinting efforts of our predecessors.

The years between 1948 and 1961 saw the building of the foundations of modern Barbados. Ministerial government in 1954, followed by full Cabinet responsibility in 1956 were initial steps on the road to full sovereignty.

Side by side with these constitutional gains came wide-ranging infrastructural developments such as the deep water harbour, the modernising of Seawell airport, public utilities growth, tourism and industrial development, improvements in our agricultural base, expanded educational opportunities, the introduction of community health programmes, the construction of a modern hospital and significant improvements in the housing stock, particularly for the working class.

By the time the BLP went out of office in 1961, the first industrial states had been established. Incentive legislation had been enacted and loans for hotel development had been made available. Forty-seven industries have been declared pioneer industries, with 18 already in production, including Banks Breweries.

Though sugar was king, the BLP had the vision to recognise that diversification of the economic base was a critical prerequisite. Barbados was poised for take-off.

### Legacy

That was the legacy of the BLP—the product of the labours of visionaries like Grantley Adam, Mencea Cox, Hugh Cummins, Freddie Miller, Ronald Mapp, Darryl Garner and a host of other comrades who carried the torch in those difficult years. This was what the DLP came and found in 1961.

The rebuilding of the party between 1961 and 1976 with the emergence of Bernard St. John and Tom Adams, Lionel Craig and Burton Hinds, among others, and the record of the party's achievements in Government between 1976 and 1986 are too fresh in our minds to bear repetition today.

Despite our significant achievements in the ten years between 1976 and 1986, we suffered a massive defeat on May 18, 1986, even though we received 42 percent of the popular vote.

With the concurrence of the National Executive Committee (NEC), my predecessor Bernard St. John, and I immediately set up a committee under the chairmanship of Harley Moseley to examine the reasons for the defeat of the party and to make recommendations for the future.

I would like to take this opportunity to express the party's gratitude to comrade Moseley and to his committee for the thoroughness with which they approached their task.

The recommendations of the committee have been examined in detail by the National Executive Committee of the party and will, I am sure, have great influence in the formulation of policy in the future.

Many factors were identified by the Moseley Committee as contributing to our defeat in 1986.

These included the issue of unemployment, the wages negotiations with the public servants, a massive political smear campaign mounted and conducted by the DLP, the lateness of the party's manifesto, despite its high quality, and the counterproductive effect of media advertising.

One aspect of the Moseley report bears some similarity to a document produced for the BLP some 28 years earlier. Indeed, the crushing defeat of the BLP back in 1961 was foreshadowed by C.L.R. James, the celebrated West Indian scholar and historian, in a learned analysis of the political situation in Barbados in 1958. He could equally have been speaking of 1986.

I quote: "The besetting danger of all West Indian parties today, the predominance of the legislature and legislation over party life, is acting with particular virulence in the BLP. The routine of government inevitably involves the acts and thoughts of a Government party. The stimulus which comes from the vigorous independent life of a party is absent."

The Moseley report saw the style and complacency of some of the candidates as a contributory factor to the 1986 defeat. Preoccupied as some parliamentarians were with the exigencies of office, they lost sight of the need to keep the party strong and to keep close to the grass roots of our party.

### Supporters

The committee, with deliberate forthrightness, warned the party that, despite the pressures of political office, parliamentarians should never fail to listen to and heed the complaints and criticisms of their supporters and members of the public.

A good record of service is not by itself enough, as Mr. James reminded us in 1958. I quote: "The greatest possible mistake of the BLP would be to rely on its good work in the past...and the lack of policy and programme in the DLP."

In similar vein, comrade Moseley and his colleagues found in 1987 that, despite the BLP's outstanding record of progressive taxation, for example, it could not match the meretricious gimmickry embodied in the DLP's fiscal proposals and mixed bag of "tricks in '86."

The Moseley committee has, among a long string of recommendations, suggested improvement in the selection and preparation of candidates.

The object is to devise a method whereby the party can be assured that prospective candidates are willing to accept party discipline, willing to strive, by compromise where necessary, for the preservation of party solidarity and willing to cooperate with other candidates in any election effort.

I am pleased to report that this recommendation has received the unanimous support of the NEC. In the new year, it is my intention to set in train the mechanism for the early selection of candidate to ensure that the mistakes of the past will not be allowed to undermine our effectiveness in the future.

Very shortly the NEC will be asked to give effect to the appointment of a full-time organising secretary. This is one important recommendation of the Moseley committee on which I am recommending immediate action. The cost factor has delayed the earlier implementation of this proposal. Satisfactory arrangements have now been made to overcome this difficulty.

We come now, my friends, to the present. After ten years the BLP finds itself in Opposition. This great party of ours which has known victory and defeat is once again demonstrating its resilience and exhibiting the fighting spirit which has been its historical hallmark.

Comrades, I am sure that the performance of your parliamentarians over the past 18 months is evidence of this resilience.

We are indebted to you for your support and encouragement and we pledge to continue to fight against governmental incompetence, political corruption and economic stagnation which threatens to reduce the underpinnings of this country to rubble.

#### Four Colleagues

I wish to place on record my deep gratitude to my four colleagues in Parliament—David Simmons, Owen Arthur, Billie Miller and Louis Tull—who, alongside of me, have worked beyond the call of duty to put fearlessly the party's policies and views both within and outside of Parliament. They have given unstintingly of their time, ideas and loyalty.

We have had the constant help, advice and cooperation of the secretariat of the party, particularly our indefatigable general secretary Pat Symmonds, of the parliamentary staff (though small in numbers) and of a large number of party supporters and friends.

Assistance has ranged from the advice given to us in preparing for the Estimates and Budget debates to the constant monitoring of the call-in radio programmes and Press articles.

I wish I could individually single out each one of you here today; but the exercise would not only be long, it may also expose some of you to the long and victimising knives of the DLP and particularly to that of Public Nuisance No. 1. To you all I say, having been our friends in need, we will never forget that you have been our friends indeed.

With your assistance then, we have in the past year in Parliament and at our public meetings sought to expose the inherent weaknesses and the failures of this DLP government.

#### Opportunists

That party, comprised as it is of political opportunists (some of them representing the epitome in mediocrity and incompetence) had, 18 months ago, persuaded the majority of Barbadians to entrust them with the government of this country. We do not question that judgment.

What we do say is that all but the purblind can now see that the people's confidence was won by deception, by promises wrapped in tinsel. Their theme was victory at any price: "Buy now,, pay later." Of was it "no down payment, pay later".

The country is now experiencing the painful moment of truth, and payment day has come. Instead of "New path" and the "Better Way" along which we were to be led to become "our brothers' keepers", we see that party now engaged in the most bitter internecine strife that has ever engulfed any political organisation in Barbados.

Within 15 months, Dr. (Richie) Haynes, once billed as the architect of victory, has had to resign because of a Prime Minister who did not consult with him for three whole months; because of a Prime Minister who appointed key persons in his ministry without so much as discussing the merits of the appointments with the substantive minister; because he could no longer tolerate "Public Nuisance No. 1".

Even more recently the House of Assembly witnessed the spectacle of one backbencher openly castigating another for his ignorance of the dynamics of unemployment and his last of understanding.



Just last weekend, the beleaguered Government retreated to the salubrious confines of Heywoods. In their perceived secrecy they inveighed against each other, singling out for special lambasting their young upstart senator-journalist.

The crisis of leadership within that party would have been a source of gratification for us, did it not have such serious implications for the future of our island.

The country cannot and must not tolerate a party which conceives its primary duty to be its survival at any cost, whilst it ignores the pressing economic problems bearing down on all of us, particularly on the unemployed.

Our standard of living continues to be threatened, whilst the Prime Minister conceives that his first order of business is the preservation of a mediocre and strife-torn party leadership.

The public is entitled to ask what has become of the promise—set out on page 3 of their manifesto—to ensure that Barbados would be a land of high and equal opportunity for all? We want to know what has become of the promise to put an end to the practice of appointing directors and board members on the basis of political loyalty rather than on competence?

#### Board Members

For the record shows that relatives and uncompromising party hacks constitute the majority of board members. If you do not carry the party passport you are now isolated in your own country and deprived of the opportunity to serve on a statutory board.

Persons are being removed from serving on boards (and in the process serving Barbados) not because of their lack of competence or skill but because they do not carry the DLP passport. We can ill afford the sacrifices of skill and experience on the altar of narrow partisanship.

In my address to the 48th annual conference last year, I warned of the creeping political tribalism which had crept into the public service. I said then that since May 28, 1986, the DLP had apparently declared a hunting season on persons believed to be affiliated or sympathetic to this party.

Constantly since then I have continued to draw the public's attention to the ruthless manner in which the hunting knife is being plunged into the job security of our public servants and other workers employed in the public service or quasi-public boards (and even by companies in which the government has some shareholding).

The great black American singer, Ray Charles, complains in one of his pieces "Look, what they have done to my song". With equal moment do I complain of the savagery of the DLP government in the dubious practice of political victimisation. Look what they've done to innocent Barbadians!

Apart from sending home over 2,000 workers from the public sector in less than 18 months, the DLP has wielded a vicious knife against the management of many public sector...organisations. Here is a list of some of those dispossessed of their former employment:

Courtney Blackman, governor, Central Bank; Coleridge Pilgrim, manager, ADC; Philip Goddard, chairman, Pine Hill Dairy; Sam Waithe, managing director, Caribbean Airways; Clyde King, manager, BMC; Peter Scott, manager, Harrisons Cave; Antonee Ashby, manager, NHC; Elton Mottley, director of culture; Beverley Lashley, deputy director of culture; Michael Griffith, manager, Tourism Investment Corporation; Patrick Hinds, director of tourism; Chetwyn Burnham, food and beverages manager, Heywoods; Vanburn Gaskin, Arawak Cement Plant; Shirley King, PM's private secretary; Aidan Vaughan, head of the Ambulance Service; Duncan Turney, manager, CBC; Ian Chandler, technical officer, ADC; Harold Aboab, director, National Assistance Board; Victor Hinkson, news editor, CBC.

In addition, there are the thousands fired from the ministries and other boards for no apparent reason than that they are not Dems.

#### Conscience

What manner of men are these Dems who feel no pangs of conscience, who suffer not from insomnia when they mercilessly deprive hundreds of families of a livelihood and at the same time create additional strains on the Unemployment Benefit Scheme which we established?

No wonder a newspaper columnist has been moved to observe that "the DLP is not Democratic and certainly not Labour". Other columnists have now summoned the courage to write of this cancerous growth.

No doubt they are now satisfied that our complaints are not made because we are in Opposition. For we now have it from a leading member of the DLP itself, Dr. Haynes, that the Ministry of the Public Service is Public Nuisance No. 1 and must be scrapped if it is not to destroy the whole fabric of the Public Service.

The time has come for all persons of courage and honour to speak out on this subject! Indeed the time has come for action. I issue this warning to the DLP today to stop this foolishness or this party will use every legitimate means at its disposal, including public demonstrations, to bring the Government to its senses.



Comrades, an era ended on June 1, 1987. Erskine Sandiford was chosen to lead this country in succession to Errol Barrow. In a short five months this country has seen the spectacle of a man trapped in a situation in which he has become like those characters in high Greek tragedy, the author of his own misfortune.

Our tradition of knowledgeable, competent, efficient leadership, as I said last week, has seemingly come to an end for the time being.

The Prime Minister is so confused and overwhelmed by the enormity of the challenge of leading this great country of ours that he has put the country on automatic pilot. Even when on deck, his hands are not on the helm.

### **Backbencher**

This country has witnessed in recent days the sorry spectacle of a weak Prime Minister held hostage by a backbencher, driven to his knees and forced to abandon his most faithful lieutenant. Since when do aspirants to ministerial office dictate to Prime Ministers what office they must hold?

It is weakness such as this which continues to undermine public confidence in the country and in the economy.

On October 30, 1987, we were told that the Prime Minister would be making a national address. Expectations ran high. At the end of the Prime Minister's speech the hopes of all Barbadians were cruelly dashed.

We saw a man without confidence, without vision, without ideas; a man at sea in a ship without a compass, a mast or a rudder; a man hoping to be thrown a lifeline in the gathering gloom.

The Prime Minister must understand that there is a limit to what the people of this country will accept. The former high standard set by past leaders requires a Prime Minister to tell the people of this country not only that there are problems in the economy and that he is concerned at the high level of unemployment, but what are the strategies which he intends to employ to deal with them.

How very strange it now seems that they who harried the BLP out of office with the promise to put Barbados back to work on the Monday after they came to office, and who said they attached especial urgency to the restoration of the economic health of the nation have made silence on these issues, their First Order of Business, if I may once more quote from their manifesto.

We, the people, have a democratic right to demand answers from those entrusted with the management of the affairs of state. As our calypso king said "The People Want To Know".

Politics, like nature, never tolerates a vacuum. In that truism inheres the major problem facing Barbados and accounts for much of the turbulence in the DLP today. There is a vacuum in the Prime Minister's office which neither a shuffling of portfolios, nor the introduction of additional bodies can adequately fill.

Our conference must therefore send a signal message to the Government. Let the message go forth today to the four corners of this island. Let it be heard in Belleville and Belleplaine, from North Point to South Point. Let it be heard in particular in Bay Street, St. Michael and Porters, St. James. If Sandiford cannot "D-O, he must G-O", to quote my colleague, David Simmons.

When I addressed our conference last year, I was at great pains to warn the country about the course of economic disaster on which Barbados was headed by the policies of the DLP.

Subsequent events, and the opinion of informed, independent observers at home and abroad have now established that our position was indeed the correct one.

### **Grim Outlook**

For, in less than 18 months, we have witnessed a government forced to reverse itself on every aspect of economic policy. And as I speak to you, the outlook which faces the Barbados economy is more grim and woeful than at any time since the foundations of a modern economy were laid by the BLP in 1951.

The evidence is there for all to see. The massive tax cuts, which were supposed to be the centrepiece of the DLP's economic programme, have had in short order, to be substituted by the largest ever package of tax increases in this country's history.

In characteristic DLP fashion, the new tax onslaught has fallen most fiercely on the pockets of the poor. And history will have to record that only the resistance and vigilance of the Opposition over the consumption tax provided the beleaguered wage earners of Barbados with any means of relief.

Today, we are confronted with the spectacle of a Government desperately trying to avoid the full cost of its fiscal folly by having our citizens take up income tax refund bonds, rather than the cash to which they are entitled, even in the judgement of the former leader of the DLP. And on the eve of this country's 32nd Independence anniversary, Barbados' Prime Minister has been reduced to the sorry state of having to repair to London to give assurances about his Government's solvency and to seek additional financial relief. They were against borrowing—well they are on the borrowing trip again.

### DLP Fiction

The promise of more jobs has proven to be a typical piece of DLP fiction. To make matters worse, the Task Force Report on employment, which was supposed to come up with the answers which the DLP did not have, is now serving as no more than an object of mockery for the young politicians in the DLP camp who are anxious to stake out a reputation for themselves at the expense of the Civil Service and the public at large.

This country's state enterprises are also in a serious state of disarray. Some, like the Export Promotion Corporation, which ought to be leading a charge to increase our exports, have fallen victims to the savage cuts in their subventions.

Others, like the BDB (Barbados Development Bank) have been reduced to being the playthings of chairmen who cannot distinguish between the public purpose and their own imperial ambitions. Yet others, like the (NCC) National Conservation Commission, have been bloated out of all recognition to provide jobs for the boys.

All, without fail, must pay homage to Harry Lewis, who has so aptly been described as public nuisance No. 1, and whose own stewardship as a head of a state corporation, when afforded the opportunity to serve by the BLP, was a case of unmitigated disaster.

The whole truth is that the economy, like the Dems, is in disorderly retreat. Despite the increases in levies, taxes and duties, the deficit in public finances has now reached record proportions. Unemployment is now climbing back to the 22 per cent level at which the DLP left it when they demitted office in 1976.

Sugar output this year was 25 per cent below the level for 1986 and was the lowest record since 1948. Manufacturing has not just stagnated, but by every account is in a serious crisis.

Manufacturers have not been able to replace lost regional markets or penetrate extra regional markets despite the claims of breakthrough by the Minister of Trade. As a result there has been a net loss of almost 1,000 jobs in manufacturing and exports have plunged in seven months this year by over \$40 million compared to the corresponding levels last year.

The bottom line is that the foreign reserves held by the Central Bank have fallen by \$104 million in the five months since May. The \$95 million borrowed from the County Bank, London and lodged with the Central Bank in May was all gone by the end of September.

### More Taxes

The immediate future for Barbados holds forth the promise of more taxes, more unemployment, higher prices, more debts, and possible devaluation. This dismal situation is made all the more intolerable by the inability of Government to set forth a development programme and to institute short term management policies to correct the drift in the country's economic affairs.

No one is in charge. And as if to leave no doubt on this score, the Prime Minister, now that he has freed himself of the portfolio of Education and Culture, has said enough to indicate that he also wishes to free himself of Finance. On such a troubled sea are we now afloat?

I could go on and on. But comrades, it is difficult to imagine a more depressing report on the economy of Barbados.

In our 1986 election manifesto, we set out wide-ranging policies which in our opinion related to the needs and concerns of Barbados on the threshold of the 21st Century.

The fact that we did not win the election has not invalidated the policy positions outlined in our manifesto—policy positions not only on economic policy and taxation, but on trade and industry, on preserving our democracy, on off-shore services, on tourism, on agriculture and the rest.

Those with convenient memories choose to forget that the BLP is the Tax Reform Party of Barbados. It abolished estates and succession duties, the sales tax, the trade tax and freed some 50,000 citizens from the payment of income tax.

### Mismanagement

We said in 1986 and we say again that tinkering with the economy to secure political advantage in an election year is the worst form of economic mismanagement.

The BLP will be relentless in our efforts to restore sanity to the management of the economy of our country, for the DLP clearly has no answers. As Harcourt Lewis said in the Senate on November 4, with accustomed arrogance and studied contempt, they will let us have the answers in "due season".

When reason and common sense fall prey to arrogance and contempt it is small wonder that there is speculation about a likely devaluation of the Barbados dollar. Such speculation has already caused serious damage to the Barbados economy.

The weak leadership and internecine intra-party strife of which I have spoken, the lack of clear cut economic policies, the absence of answers and swift and effective solutions to the myriad of problems in the economy have frightened away investment capital.

The BLP will restore that confidence, will provide the solutions, and gives to all the assurance that it will not support the DLP in any attempt to devalue the Barbados currency.

And now, to the BLP itself. I well remember the words of Prime Minister Eugenia Charles of Dominica, who addressed this conference last year.

She said: "It is a good time when you are in recess like this to remember to think of the things that your country requires, to realise what the aspirations of people are, but above all the job of a leader is to make people to understand why things should be done and the way they have to be done and why they are good for the general body of people. So you have the opportunity now. Use it well and therefore succeed in your next endeavour."

I wish to assure you, comrades and friends, that it is not my intention to resile from the responsibility of providing decisive leadership to this great party as we prepare the groundwork of success in our next endeavour.

I outlined in considerable detail at this conference last year the need to make certain structural improvements to our organisation. I am glad to report that the committee to review the constitution of our party has already met and reported to the NEC.

### Conference

The NEC has only a few days ago completed examination of its proposals and made changes thereto. These amended proposals will now be sent to the constituency branches for their consideration. In February 1988, a special conference on the Constitution will be held and it is hoped that from its deliberations will evolve the new constitution which will be adopted in time for 50th anniversary on March 31, 1988.

Next year we will celebrate the golden anniversary of our party. We have set up a number of sub-committees to plan this historic year-long celebration. In the course of the next few months you will be hearing much more of the details of their planning than time permits me to give now.

A few highlights, however: The party proposes to form its membership into a separate Credit and Co-operative Union. Our party has spearheaded the efforts to build credit unions and the co-operative movement in Barbados.

The farsighted tax incentives given during the tenure of Tom Adams to the co-operative movement has influenced its rapid growth into a powerful saving and investment institutional force in the economic life of Barbados.

It behooves us to take this a step further by having our members participate to the individual benefit by forming a BLP Credit Union. It is hoped to launch the union early in 1988.

The Adams Foundation has received a substantial donation from a special committee set up under the chairmanship of Sir Alexander Hoyos. The foundation will commemorate the work and contribution of our great founder Sir Grantley Adams and his illustrious son, Tom. The Constitution of the foundation is being made ready by a committee under the chairmanship of Bernard St. John.

### New Headquarters

Plans are being actively pursued to modernise our existing headquarters and to build a modern headquarters during our 50th year. We have no intention of imitating anyone else's auditorium.

Our new headquarters will be a building befitting the oldest political party in the Caribbean which, whilst seeking to reflect architecturally our history and traditions, will at the same time display the creative talent and imaginative skills of our artists and artisans. I feel sure that when the appeal is launched the public will want to contribute to a fund to help us donate an outstanding memorial to the Adamses, father, son and mother.

The party will, in addition to its new constitution, be issuing a Statement of Principles reflecting our vision of and policies to guide Barbados in the 21st Century. It will be the definitive answer to those fools who query our ideological ancestry, doubt our institutional permanency or are sceptical of our innovative talents.

As befits our great party, our celebrations next year have been conceived and will be implemented with a deep awareness of the need to reflect that historical occasion. We aim to make you, who have faithfully stood by us in good times and in bad times, feel that sense of pride which comes from the knowledge and appreciation of a job well done. We aim indeed to make all Barbadians proud of the BLP and its record.

The success of our jubilee year, however, depends on each and every one of us. We need your moral and financial support. I expect each person in this island who supports our party to show solidarity with us by attending the various functions. Indeed, I ask you all to make that commitment now. I also expect every supporter to



contribute financially to our Jubilee Fund. No matter how small or how large is the contribution, I appeal to you to give generously. Your party needs it. Your country needs it.

Despite the fact, comrades, that elections are constitutionally due in four years' time, the state of the DLP is such that we should be ready to fight an election at a moment's notice. In the coming months Mr. Sandiford will be under increasing pressure from within the ranks of his embattled party. The options facing him will be either to give in or go to the country.

Barbados has a tradition of fair and free elections. Our party sought to institutionalise these and to improve on the machinery necessary for their defence by building into the constitution provisions for our independent Electoral and Boundaries Commission. That institution was at first stoutly resisted by the DLP. It is of the utmost importance that the commission should do its work well ahead of 1991.

#### Warning

There has been talk of realignment of boundaries and the setting out of new constituencies. I have already told the commission that this party will lend its support to any request for adequate funds to enable the commission to carry out an early enumeration of voters. I am calling on the Government to make the necessary funds available now.

I also warn the Government that a sub-committee of Cabinet has no power to determine constituency boundaries. That is a matter for the commission, subject to Parliament's final approval. The Government should therefore ensure that the new maps showing the new parish boundaries are quickly returned to the commission to enable that body to do its work in an unbiased and non-partisan manner. Gerrymandering will not save your political skins whenever the elections are called!

The BLP that will face the people of this country at the next election must be a party that has learnt from its mistakes. The Moseley Review, to which I have already referred, gave many reasons for our electoral defeat on May 28, 1986.

The smear campaign—certainly the most vicious ever mounted by one political party against another in the history of this country—devastated us. But equally important—and the review did not try to conceal it—was the fact that the electorate was unhappy about the public image of some of us.

We would be purblind if we did not, as a party, and I would be remiss as your duly elected leader if I failed to implore you to, take note of the public strictures against the style and conduct of some of those who held high office.

#### Ability

We in the BLP will need to present to the public of Barbados a judicious mix of youth and experience, enthusiasm and maturity. The criterion for public acceptance will be neither age nor youth; but ability and commitment. And yes, comrades, humility.

I make no apology for saying that the public of Barbados will judge this party harshly if it is not prepared to learn its lesson well. I need say no more on this.

As we look to the future, let us still find time to play our rightful role within the Caribbean and this hemisphere. We must continue to show solidarity with those fighting for democracy within our region.

#### Silence Deafening

The silence of CARICOM governments on the rape of democracy and the holding of free elections in Suriname and Haiti is deafening. There must be some positive CARICOM response to developments in these countries to assist them to achieve democratic government through the electoral process.

Let this conference, in consonant with the other democratic socialist members of the Socialists International, give support to the efforts of the Provisional Electoral Council of Haiti to guarantee free and fair elections in that country on November 29. We call on the governments of the Caribbean including the Barbados government to establish an interparliamentary delegation of government and opposition parties to observe the conduct of elections in both Haiti and Suriname.

This conference must go further and urge our party to work towards the creation of regional mechanisms for the conduct of all elections free and fair within the member states of our community.

We must, too, express our solidarity with the struggle for democracy in the southern core of Latin America, within Chile and Paraguay; and support as well the peace plan for Central America adopted at the meeting in Guatemala (Esquipulas II) by the presidents of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

For wherever democracy is threatened, there is a task for us to undertake. Wherever discrimination and victimisation persists, there is a job for us to honour. Wherever freedom and peace flourish there is a commitment for us to honour. Our forefathers have written well, the creed for us to follow. Let us then rededicate ourselves to those in need; let us renew the struggle here in our land and beyond.

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### Daily Warns of Efforts To Destabilize Democratic Government

33480029a La Paz PRESENCIA in Spanish  
12 Nov 87 p 3

[Editorial: "Democracy in Danger"]

[Text] There are a number of factors which are working together to destabilize a democratic government and to facilitate the establishment of a de facto regime. Among them is the well-known political ambition which will do anything in order to achieve the goal of power. Another factor is the false "predestination" concept, messianic in nature, which has nurtured the desire of the military throughout our history to install themselves in the government. These factors appear to be less decisive now than in the past, because the situation in Latin America has changed in such a way that the democracies are faced with other, greater dangers in 1987.

The democratic environment on our continent does not enjoy any guarantee of continuity. Thus far this year, there have been serious problems in Ecuador, with the kidnapping of President Leon Febres Cordero; Alfonsín's government has had to deal with serious difficulties, including three military mutinies; there are those who are instructing the military commanders to overthrow the government of Alan Garcia in Peru; and, finally, there are similar urgings to liquidate the democracy in Brazil.

Democracy in Latin America is in constant danger, and is beset on all sides. It is plagued by the economic crisis; foreign indebtedness; the social problems, which not only have not been resolved but are developing at a speedy rate; drug trafficking; rural and urban guerrilla warfare; and other economic, social and political phenomena, among which mention must be made of the stubborn enemies of "bourgeois democracy," whose criticisms are encouraging coups d'état on the part of people who will not derive any specific party benefit therefrom.

To date, the speeches and actions attacking democracy seem to have been isolated instances or outbreaks which are assigned minimal importance, particularly when the contextual situation is being analyzed with logic and common sense. However, it would be well for the power factors—the Armed Forces, labor organizations, private business, political parties and other institutions—to review their own actions periodically and to face up to the factors which are destabilizing democracy within their own respective sectors.

The people also bear a responsibility which cannot be set aside—that of participating in the construction of democracy in order to guarantee their own freedom.

Democracy is the most fragile and vulnerable form of government. It is necessary to strengthen it day after day instead of weakening it, as is being done today in Latin America, in order not to have to lament the loss of freedoms again, after so much sacrifice has been made in

the past to win them back. Let us now break the vicious circle which has involved living in freedom for short periods and then under oppression for longer ones.

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### Changes in Political Map Include Six New Provinces

33480029d La Paz EL DIARIO in Spanish  
12 Nov 87 p 2

[Text] Between 1980 and 1987, there have been a number of changes in the political divisions of the country, and the most recent publications of the National Statistics Institute and the Military Geographic Institute are now out of date.

According to a report carried in the informative bulletin CIEN, six new provinces, 32 municipal sections and 192 cantons have been created in this period.

Two provinces were created in the department of Cochabamba, while the departments of La Paz, Oruro, Potosi and Santa Cruz were increased by one province each.

In the department of La Paz, 15 new municipal sections have been created, along with seven in Cochabamba, five in Oruro, three in Potosi and two in Santa Cruz. Similarly, 129 cantons have been established in La Paz, 30 in Oruro, 12 in Cochabamba, two in Santa Cruz and one in Chuquisaca.

Throughout this period, the departments of Tarija, Beni and Pando underwent no changes in their geographic and political divisions.

The new provinces are: Gen Jose Manuel Pando, established by law on 29 April 1985 in La Paz; Bolivar province, created by law on 31 January 1985, and Tiraque province, created by law on 15 October 1986, in the department of Cochabamba; Sebastian Pagador, created on 16 March 1984 in Oruro; Enrique Valdiviezo province, created on 6 February 1985 in Potosi; and German Busch province, created by law on 30 November 1984 in the department of Santa Cruz.

According to the most recent CIEN report, based on the documents of the National Statistics Institute, there are in the republic as a whole a total of 108 provinces, 277 municipal sections and 1,281 cantons.

The official who heads the CIEN, Eudoro Veizaga, said that it should be noted that the technically updated figures were drafted on the basis of all of the legal background material to be found, and that in any case, the intent was to contribute to eliminating any type of distortion or incongruence which may have been noted in recent publications.

He added that the new political division will have to be taken into account in the coming municipal elections, because of the new cantonal distribution. A lack of clarification concerning jurisdictions has been the cause of much

conflict during past electoral processes. Such conflict should be eliminated, following the recommendations of the Military Geographic Institute and the National Statistics Institute, he said.

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**Peasant Apathy Toward Elections Noted**

33480029b La Paz HOY in Spanish 4 Nov 87 p 12

[Text] The Bolivian Single Peasant Workers Union (CSUTCB) has made the statement that the majority of the voting population in the rural sector has not registered to vote in the coming municipal elections scheduled to be held on 6 December in Bolivia.

Along with the announcement of this fact, Felipe Vilica, the education secretary of the CSUTCB, noted that among the political resolutions approved at the last national congress held in Cochabamba, there was one in which the peasant base came out against voting for the National Revolutionary Movement (MNR), Nationalist Democratic Action (ADN) and the MIR New Majority.

He explained that this position was adopted at that congress after an analysis of the policies of the present government, headed by the National Revolutionary Movement, governing jointly with the Nationalist Democratic Action, and also the MIR. He said that the discussion indicated that these parties have not contributed to the rural sector but have become the "enemies of the peasant workers."

He also emphasized that the CSUTCB decided not to support any political party, but to ask for respect for the decisions adopted by the municipal and clan councils instead.

With regard to the governmental response to the list of demands presented more than a month ago, this leader said that none has yet been received, as a result of which a peasant statement was issued in this connection to promote a widespread and gradual mobilization of the social forces.

He recalled that among the 11 points on the list, the peasants raised objections to the tax law, urged the generation of credit for small farmers, demanded discussion of coca production, and also urged an increase in the government budget allocations for health and education.

When asked about the petition filed by the Peasant Federation of La Paz, an affiliate of the CSUTCB, concerning respect for the elected authorities in the small communities and clans, he said that obviously this would be a subject for serious later analysis at the departmental congress of the sector, which is scheduled for the early days of January in this city.

However, he said that in fact, the municipal elections would not affect the small communities scattered throughout the whole of the national territory, due to their limited radius of action.

In conclusion, he announced that an expanded national gathering of the peasant workers will be held on 6 and 7 November in La Paz to analyze and discuss the list of demands and the problems resulting from the "Tupi-Guarani Genocide."

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**Farmers Organizing, Forming Enterprises**

33480034h La Paz EL DIARIO in Spanish  
4 Nov 87 p 5

[Text] Medium and small agricultural-livestock peasant enterprises are being organized throughout the country based on the historic reality of the country and the features of the new agrarian policy. At the same time, the problem of small estates is being solved, according to the president of the Agrarian Reform Council. He pointed out: "There are no more strikes, roadblocks, or murders of farmers in the country. An atmosphere of tranquillity and production prevails."

The president of the Agrarian Reform Council pointed out that the area cultivated has increased approximately 20,000 hectares in the last 2 years and the area cultivated by machine has increased by about 60,000 hectares.

Luis Antezana said that in 1952 there were only about 300 tractors in the country. In 1956 this had risen to more than 1,000. Now more than 3,000 tractors operate in the country. The majority of those tractors are in Santa Cruz. There are also harvesters of different types, bulldozers, etc.

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**Peasant Leader Flores Calls for Annulment of Land Tax**

33480034g La Paz HOY in Spanish 12 Nov 87 p 4

[Text] The government must repeal the land tax as stipulated in an agreement with the labor organizations of the sector. Genaro Flores, executive secretary of the Tupac Katari Union Confederation of Peasant Workers, made this statement to HOY.

The peasants will not pay the higher taxes that the current regime is trying to impose because they have always contributed their efforts and sacrifice, subsidizing the cost of their products to benefit the national economy.

Those statements were complemented by the following concepts. The consumers know how the small farmer works to keep food prices accessible to any consumer.

Parliament must repeal the taxes on the small farmer. He stated that if the representatives of the MNR [Nationalist Revolutionary Movement] who say they work for the rural worker want to take some action in that direction, they must comply with this measure.

He repeated that the government has not fulfilled its commitment to repeal the taxes on the peasants. This can affect agriculture.

#### **Rendering Accounts**

Facing accusations of alleged mismanagement in his administration, Genaro Flores maintained that he will give all the necessary responses to the directorate of the confederation.

He did not do this earlier because he was in delicate health as a result of the attack he suffered during the regime of former dictator Garcia Meza.

Flores Santos was shot in the legs and disabled by agents of that regime.

The leader added that earlier the military dictators wanted to eliminate Genaro Flores, but now there are people interested in discrediting him.

#### **No Response to Petition**

According to Genaro Flores, the government has not responded to the petition of the peasant workers. He revealed that this situation has upset the national leaders who have been meeting since last Tuesday to evaluate the agricultural situation.

That meeting will last until tomorrow, Friday. The objective is to decide on the measures to be adopted in the sector if the problems that were presented in the petition by the labor organization that Flores Santos heads are not solved.

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#### **Interior Minister Voices Concern About Violent Crime Rise**

33480029c La Paz HOY in Spanish 11 Nov 87 p 6

[Text] Bolivia is being victimized by a crime wave affecting the tranquillity of the country and the safety of individuals, with the result that the security and defense mechanisms of the state have gone on alert status to prevent the proliferation of further crimes.

Concern was expressed yesterday by Dr Juan Carlos Duran, the minister of interior, and Gen Raul Escobar, the commander in chief of the Bolivian Police, in separate analyses of the scope of the recent criminal events which have occurred in the country.

Among other incidents, mention might be made of the kidnapping of two businessmen in Cochabamba and Santa Cruz, and in particular the recent attack made by armed and uniformed individuals along the Viacha-Charana road, in which a number of persons were shot to death and others were wounded.

The interior minister gave assurance that the government will not allow regrettable new incidents to occur on our national territory, in which connection the Bolivian Police have been specifically instructed to take rigorous action concerning these problems.

He said that in connection with the concern about the crime wave, a system of double vigilance has been established to guarantee the safety of the people, who have come to view the development of these and other phenomena with alarm.

The police commander, for his part, told HOY that his institution has the capacity and the resources necessary to deal with any problem caused by antisocial elements, who do not hesitate to use new methods to achieve their dark ends.

He mentioned the antiterrorist unit established recently, which has personnel specially trained in modern techniques to deal with any eventuality.

Gen Raul Escobar deplored the use of violence by the criminals, "who in abominable and cruel fashion, are threatening the lives of the honest citizens of the country, who do not approve of the existence of violence in any way."

He said that he has ordered the intensification of investigations designed to detect these new crimes, to punish those responsible and to establish precedents which will leave no room for new expressions of brutality.

He emphasized that the police will be able to take specific and efficient action in this connection, as they did in liberating a businessman from Santa Cruz. This involved ordering out the entire Santa Cruz Garrison, an action which forced the criminals to abandon their goal.

#### **Uniforms**

As to the possibility that the attackers along the Charana road may have been wearing police uniforms, General Escobar said that this point has not been proven.

He said that no arrests have been made but that intensive work is being done in order to capture the criminals, who obtained approximately \$50,000 from the businessmen on the bus.

#### **Businessmen**

The commander in chief of the Bolivian Police said that the investigations being pursued to find and liberate the businessman kidnapped by thugs in Cochabamba are proceeding satisfactorily.

He said that use is being made of all of the resources of the police in that district, with the result that there is optimism about this case.

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### State Firms Account for Bulk of Iron-Steel Sector Losses

33420022a Sao Paulo O ESTADO DE SAO PAULO  
in Portuguese 5 Nov 87 p 48

[Text] Porto Alegre—The financial statements of the companies in the iron-steel sector for the first half of the year, published in recent weeks, revealed disquieting figures pertaining to the state enterprises: of the total loss of 51.42 billion cruzados, 90.65 percent represents losses resulting from the production of government enterprises, especially those connected with the SIDERBRAS Group, each successive balance sheet of which shows greater deficiencies in terms of productivity and capital structure, sometimes coming face to face with the inviability of their industrial units.

Such is the case of Piratini Fine Steel, located in Rio Grande do Sul, which, despite the irregular revaluation of assets effected recently, still shows a particular distinction compared to the other steel companies producing both special steels and flat and non-flat steel: its net assets are negative, and this indicator is unlikely to change because, given its structure, the more it produces, the more it will lose.

Fine Steels has never produced a profit since it was established because, being located in the South and having to receive iron from Minas and ship the final product to Sao Paulo, it is not viable. Despite that, the government of Rio Grande do Sul intend to triple it. In the first half of the year, its negative net assets were 301,891,000 cruzados and the net loss for the period reached 1,130,105,000 cruzados; that is, it lost 11,771.92 cruzados per ton produced, if one assumes that half of its 193,000-ton annual production was produced in the first half of the year.

On the other hand, the private sector's Anhanguera Steel, which also produces fine steel and has production characteristics very similar to those of Piratini Fine Steel, has double the production of that state enterprise and at the end of the half-year showed positive net assets of 2,106,531,000 cruzados, with a net loss of 227,223,000 cruzados (taking into account the result of a monetary correction of less than 495,027,000 cruzados), or 1,336.60 cruzados per ton produced.

A good comparison, however, is the operational results of the two companies: while Anhanguera showed a profit of 267,777,000 cruzados, Piratini Fine Steel showed losses of 4,289,018,000 cruzados or 44,677.27 cruzados per ton assumed produced (dividing annual production by 2).

Also in that area of special steel, the Acesita state enterprise showed the greatest loss in its half-year balance sheet, in nominal figures: an operational loss of 11,194,736,000 cruzados and a net loss of 3,779,688,000

cruzados, figures that represent 30,670.50 and 10,355.30 cruzados per ton, respectively, assuming also that half of the annual production was obtained in the first half of the year.

Following that same criterion, during that half-year, the state enterprises that produce common flat sheet and semi-finished steel lost 6,061 cruzados per ton produced compared to a profit of 88.65 cruzados for the steel companies that produce common non-flat steel, for the most part controlled by private groups.

Official figures from the pertinent half-year financial statements show that fact clearly. Before considering the assets-liabilities balances, the steel companies that produce common flat steel (100 percent state enterprises) lost 32,982,537,000 cruzados during the half-year; those that produce special steel (38.34 percent of the total annual production is from state enterprises) lost 7,154,386,000 cruzados; in the area of semi-finished steel (100 percent state enterprises) there were losses of over 8,720,145,000 cruzados compared to a profit of 225,896,000 cruzados obtained by the main steel companies that produced common non-flat steel, in which the participation of state enterprises is only 14.91 percent.

Another disquieting fact is that in the first half of the year, the state enterprises: National Iron-Steel Company, Cosipa, Usiminas, Acominas, and Tubarao, incurred net financial expenditures of 291,057,229,000 cruzados (87.64 percent of the total for the iron-steel sector, including the private companies) and operational losses of 285,756,799,000 cruzados (89.40 percent of the total for the iron-steel sector). The net financial expenditures of those state enterprises represented 67.32 percent of their net assets at the end of the half-year, while the operational losses represented 66.10 percent.

In contrast, also for the same half-year, Belgo-Mineira had net financial expenditure of only 315,833,000 cruzados and an operational profit of 1,052,664,000 cruzados, while the Gerdau Group (considering the balances of the Aconorte, Comesa, Cosigua, Guaira, Riograndense, Cearence, and Hime iron-steel companies) incurred financial expenditures of 2,870,042,000 cruzados and an operational loss of only 863,750,000 cruzados, but still showing a new profit of 615,512,000 cruzados for the period. Net financial expenditures in relation to net assets amounted to only 1.15 percent for Belgo-Mineira, and 11.13 percent for the Gerdau Group, calming and reassuring figures compared to the fragile nature of the situation of the debt-ridden and inefficient state enterprise.

Considering the financial indicators, the state enterprises showed very clearly in their six-month financial statements that if it were not for the bountiful public funds, they would have no way of surviving. Taking the Gerdau Group as a whole, its operational margin (which represents the division of the operational profit by net



revenues from sales and services) was 9.5 percent positive and its net margin (division of net profit for the period by the net revenues from sales and services) was 7.3 percent also positive.

08711/07310

**Nakano on 1988 Economic Prospects;  
Businessmen Cite Concerns**

33420025 Rio de Janeiro O GLOBO in Portuguese  
22 Nov 87 p 50

[Round table discussion sponsored by O GLOBO and coordinated by Zelao Rodrigues, Milton F. da Rocha Filho, and Joel Santos, with participation by Yoshiaki Nakano, special adviser on economic affairs to the Ministry of Finance; Pedro Eberhardt, chairman of the National Union of the Auto Parts Industry; Elmo Camoes, chairman of the SOGERAL board of directors and member of the Monetary Council; Boris Tabacof of the Suzano Paper and Cellulose Company, member of the Sao Paulo State Federation of Industries; and Roberto Nicolau Jeha, chairman of the Packaging Union and a director of the Sao Paulo State Federation of Industries; date and place not given; first five paragraphs are O GLOBO introduction]

[Text] Sao Paulo—Brazil is going to experience an era of economic deregulation in 1988. That is the intention of Yoshiaki Nakano, special adviser on economic affairs to the Ministry of Finance. He regards the state's intervention in the economy as excessive and is ready with a few mechanisms which may return the country to the era of economic growth, with investments by the private sector and some recovery in public sector savings.

That would be achieved through the tax and fiscal reforms and a new tariff policy. Nakano said that within the Ministry of Finance, he supports the idea of guiding the economy toward an export model, which would be the driving force for growth. But that idea has not yet been accepted by everyone on the ministry's team.

Nakano's ideas were debated during an O GLOBO-sponsored round table discussion with businessmen Pedro Eberhardt, chairman of the National Union of the Auto Parts Industry; Elmo Camoes, chairman of the SOGERAL board of directors and the Brazilian Association of Commercial Banks and member of the Monetary Council; Boris Tabacof of the Suzano Paper and Cellulose Company, member of the board of directors of the Sao Paulo State Federation of Industries (FIESP); and Roberto Nicolau Jeha, chairman of the Packaging Union and a director of the FIESP.

During the debate, the businessmen showed that they accepted the economist's proposals, especially the one to establish a rate of income tax to be paid by businessmen who prefer financial investments over productive investments.

Although there was agreement with his diagnosis of the economy, there are fears and worries concerning the coming year as well as a wait-and-see attitude concerning the work of the Constituent Assembly and renegotiation of the foreign debt.

O GLOBO: The purpose of this round table is to analyze the prospects for next year [1988]. How are you gentlemen looking forward to the arrival of 1988?

Yoshiaki Nakano: I feel that 1988 will be better than 1987. The reason is that a number of basic issues which have been generating a great deal of uncertainty will have been resolved. The issue of the Constituent Assembly will be resolved, and I hope that negotiation of the foreign debt will also be concluded. With the conclusion of the Constituent Assembly's work—and I am sure that its members will produce good results by reaching decisions showing good sense and adopting positions with no radicalism in any direction—and with a solution to the problem of the foreign debt, which the government intends to solve permanently, much of the uncertainty now causing concern will cease to exist. That will lead businessmen to invest again, since at the moment they are adopting a wait-and-see attitude.

That feeling also applies to the measures we have adopted this year to reduce the public deficit as it applies to the institutional and procedural component of the budget, which has been unified and will enable us to exercise effective control without having to reduce the size of the public sector. But as a result of those measures, we will no doubt be able to reduce state intervention and begin a more intensive privatization program. We will also have an opportunity, as a result of the measures being adopted, to straighten out a few variables that we are studying. I also feel that 1988 will also be a better year as regards inflation, which I hope will stabilize. That is my view as far as 1988 is concerned.

Pedro Eberhardt: I would like for Dr Nakano to be sure. In my sector, I sense great uneasiness and much concern over 1988, chiefly as regards investment. My sector includes a great number of multinational firms which are uneasy at the moment. Two of the reasons, already mentioned, are the Constituent Assembly and the foreign debt. The situation has now been made even worse by the problem existing in the automobile industry. I have no doubt that 1988 will not be a good year for the auto parts industry. Even if the agreement with the automobile industry is reached quickly—and I hope it is—that conflict is going to have consequences within the automobile industry, and they will be reflected in the auto parts industry, which is tied to the automobile industry by an umbilical cord.

Elmo Camoes: The banking sector is more touchy. Everybody is always criticizing our rates. But I agree that 1988 will be a little better than 1987, the reason being my belief that the measures adopted in the financial system since June have made possible a great improvement in

results. The previous rate of inflation was creating problems with breaches of contract and harming business. That phase is over. If we succeed now in stabilizing inflation at around 12 percent or 10 percent, I feel that we will have no losses in the system. Many people criticize us because they think it is the banks which set interest rates. But it is the government itself which sets the pace; the banks merely charge the spread. If the LBC [Central Bank bill] rate is 18 percent, the banks simply follow along, that's all.

Roberto Nicolau Jeha: I am usually an optimist. But I am concerned about 1988. Our industry—packaging—is closely tied to the domestic market and closely reflects the situation. And our industry has collapsed, literally. November and October are normally good months for sales, but we are selling less than we did last year and are not even up to 1985 levels. And our problem is not even price control, because our prices have also collapsed, as has our volume of production, confirming that industry in general, particularly that part of it which is tied to the domestic market, has really slowed down. I agree with Dr Nakano when he refers to the Constituent Assembly and the foreign debt. A clear statement from the Constituent Assembly will deliver us from the daily dread in which we live, and the issue of the foreign debt needs to be handled in such a way as to obtain a permanent agreement enabling us to look to the future.

But there are two other aspects that disturb me: inflation and the public sector. The public sector is broke. Public utility rates have ruined other government-owned enterprises such as SIDERBRAS [Brazilian Iron and Steel, Inc.], ELETROBRAS [Brazilian Electric Power Companies, Inc.], and even Petrobras itself. As for inflation, there are forecasts indicating as much as 18 or 19 percent for February 1988. No country is viable with an inflation rate of more than 10 percent.

And there is a further difficulty: the government no longer has the credibility it needs for administering another shock to the economy. So then, one solution for reorganizing the public sector would be fiscal reform, but I doubt that the political conditions exist for carrying one out at the moment. Therefore, Dr Nakano, I feel that 1988 may be not brilliant but better than 1987, provided that we can find a solution to the foreign debt, produce a balanced Constitution, keep inflation below 10 percent, and define the public sector.

Boris Tabacof: The paper and cellulose industry has an ambitious investment plan that cannot be dependent upon daily fluctuations in the economic situation. Because investments are long-term propositions, great opportunities have been created in the domestic and international markets, which we have won thanks to the country's potentialities and the modernization of our industry, which has competed on equal technological terms. Our domestic market has been growing faster than the domestic product, its potential having been

repressed for a long time—perhaps a decade. That pent-up demand has caused lags. Although recent administrations cannot be blamed for that fact, I believe a few lessons can be learned from it.

Among the various factors most responsible for that pent-up demand, I could mention one: price. And this does not have to do solely with the Cruzado Plan and the Bresser Plan, not at all. It involves the entire shortsighted price policy. This is a movie we have seen before. Every new administration takes office imbued with the best intentions as far as providing industry with real market conditions is concerned but cannot resist the temptation to use heterodox methods—which, incidentally, are not a recent invention. In terms of prices, heterodoxy is the approach historically used in Brazil.

So I would like to take this opportunity to say the following: why not take advantage of 1988—after so many unsuccessful experiments in which the government has tried to control the chief variables in the economy—why not make 1988 the year in which we open up our economy? Let us open things up—let us try the “shock” of relaxing controls—because I believe that it will do no good to go on trying magic.

I know that the administrators do not do so deliberately, but it is as though they were giving in to the immediatist temptation to try to achieve quick results. If an opening up of the economy comes, not merely in terms of prices but as an attitude, I feel that Brazilian society will accept it very willingly. I believe that the government which is willing to try it will have a place in history. And the risk is small, especially now, while the economy is cold and demand is slack. I feel that that is the time to deregulate. Who knows? We may have the chance to begin 1988 with an open market. Let that market operate for a while, and we will see what happens.

O GLOBO: Is Brazil currently in a position to have a market economy?

Nakano: I think so. Besides, we are lagging rather far behind in the process, because if we look back at what has happened over the past few years, we see that the most recent major industrial policy was the second National Development Plan (PND), which established the capital goods industry. That brought the model of industrialization for import substitution to a close. There is nothing more in the way of industry for us to introduce here except perhaps a few high-tech industries such as precision engineering and biotechnology, but considering the size of our economy, there would be little impact from establishing those.

Working with the industrial plant we have, the objective is to make it grow and to modernize it: to strengthen it in order to make it increasingly competitive internationally. To achieve that, state intervention needs to be

altered, because at present, the state keeps the market closed and subsidizes the industrial sector, making imports impossible. That phase is over.

For years the country has been asking the government for a new industrial policy and has not been able to get one. Why? Because it is impossible to determine our industry's level of competitiveness and efficiency, the reason being one basic lack: tariff reform. In any modern country, each sector's level of competitiveness is known—all one has to do is look at the tariff. In our case, 80 percent of our imports are exempt, but the nontariff barrier is almost insurmountable. The importer must contend with a series of government agencies and a whole bureaucratic process, slow and complicated, that is seen as a good thing. With a closed economy, there is no perception of what our industrial structure is—it is not transparent.

Because of that, we now intend to take a fundamental step toward implementing that tariff reform beginning on 1 January 1988. We will be able to conduct a sector-by-sector study in record time, and that will make it possible to begin opening up to the outside. We will then be able to see how competitive each sector is and determine which sectors are in a position to have their tariffs reduced and begin competing seriously and whether a particular sector is going to need permanent protection. We are going to have a tool with which to do that.

We are going to change things: instead of having a policy of subsidies and incentives, which are no longer having an effect, we are going to modernize several sectors by making a diagnosis and drawing up a program. The government and the businessmen in each sector will establish a plan, and we will make that sector competitive within a given number of years. Is it possible? Is it not possible? If it is possible, the only thing left is to start working.

The plan for establishing the tariff policy is now ready. We are going to discuss it at CONCEX [National Council on Foreign Trade], and the intention of the Ministry of Finance is to establish it at once. That will provide us with a way to implement a new industrial policy—one for modernizing our industrial plant.

On the subject of domestic deregulation, I feel that the government must change its role. The regulation that exists today is becoming obsolete. The government does not intervene where it should, and there are other sectors where the state's presence was once justified because private capital was not interested, but today those sectors can be taken over by the businessmen, examples being the iron and steel companies, sectors in telecommunications, electric energy, and petrochemicals.

O GLOBO: So are we moving toward a free market?

Nakano: The government will always have to intervene and correct distortions—to pursue the right policy. The government needs to intervene chiefly in the social area. It has not been doing that. Our intention is to make every effort to that end—to modernize the public sector and certainly to eliminate a number of agencies.

O GLOBO: Would price controls be of secondary importance in that situation as well?

Nakano: Yes. Permanent price controls are a difficult thing—practically impossible. They don't work. Price controls are possible in a few sectors. After we deregulate—and that will not happen overnight, since it must be done according to a plan—controls will become unnecessary. Our approach will be to adjust tariffs. As long as the possibility of importing exists, the businessman will be restrained from raising domestic prices excessively.

O GLOBO: In this case, we are talking about the medium term, are we not?

Nakano: Yes, because first we need to rationalize the policy governing the external area, both by eliminating the need for import permits and by doing away with the bureaucracy involved in exports. Along with tariff reform, we will be removing all incentives and subsidies, doing away with the IOF [financial operations tax], and establishing a single tax that will make the industrial structure transparent.

Jeha: I would like to comment on something Dr Nakano said about the most recent period of investment in the country, which occurred under the Geisel administration as part of the second PND. The second PND marked the end of a historical period in Brazilian industry—one that began with Getulio Vargas and continued with the Juscelino Kubitschek phase. In the 1970's, Brazil achieved an investment rate of 27 percent, at a time when private savings amounted to 17 percent, government savings totaled 5 percent, and external savings provided another 5 percent.

When the recession started, in 1980 and 1981, the public sector's investment capacity was lost, and external savings also disappeared beginning in 1982. At that point, we entered a terrible trap that is threatening to make our industrial plant obsolete.

With no more government savings and no more external funds coming in, there remained only private savings. But the private sector did not invest, preferring to finance the state's current expenditures through the financial system. And that is the trap. If we analyze the balance sheets of the firms from 1982 through 1987, we see that the big profits are the nonoperating profits. Investments remained at a standstill because more profit could be earned by financing the public debt.



And what happened to the private sectors of the Brazilian economy? The financial sector was the big beneficiary; that is a fact because we have a centralized financing system in Brazil and the financial system stepped in to administer the financing of the public deficit by the private sector. That is terrible. And the solution depends on solving the problem of the foreign debt, carrying out a fiscal reform, and increasing the awareness of private businessmen, who, if they do not start investing again, will be buying the rope with which to hang themselves.

Let us look at the examples. There are figures from the IBGE [Brazilian Institute of Geography and Statistics] summarizing the current accounts of government departments from 1970 through 1985. Despite all the complaints about the public deficit—and they are complaints in the moral sense—that is not the big problem. The government's final consumption—including personnel costs and the cost of what people call "perks"—amounted to 10.9 percent of its total revenues from 1970 to 1973. By 1985, that figure had fallen to 9.7 percent—in other words, it had decreased. It is still too high, and it can be improved on.

Welfare assistance transfers—welfare spending—can also be improved, but they amounted to 7.4 percent between 1970 and 1973 and dropped to 7.1 percent in 1985. And the subsidies, which arouse so much controversy and complaining, came to 9 percent in the period from 1970 to 1973 and were up to 16 percent by 1985. That is still too high, but it is not what is jamming up the works.

Now let us look at the interest on the domestic debt: the funds that are being earned by the private sector on the open market, administered by the financial sector, and paid by the government—instead of serving to increase government savings. That interest has risen from 1.3 percent of GDP in 1970 and 1973 to 10.9 percent of GDP. That is the sore spot.

Another problem is that of the prices charged by government-owned enterprises and the transfers, adjustments, and allowances granted to plug the holes in inefficient enterprises—that is, the funds allocated to keep government-owned enterprises operating. Those transfers accounted for 3 percent of GDP from 1970 to 1973 and were up to 10.3 percent in 1985. The combination of interest on the public debt and losses by government-owned enterprises—caused by unrealistic prices and price control problems—accounts for more than 20 percent of GDP. The counterpart to that perverse process—public sector savings—was 5.9 percent from 1970 to 1973, but was down to -8 percent by 1985.

How do we get out of that trap? It is necessary to rethink the state's role, restore its capacity to save, and limit it to its social and supervisory function. And the businessmen must restore their investment capacity on penalty of being left with a pile of worthless paper in their hands and an obsolete industrial plant.

Eberhardt: The only thing I disagree with is your certainty that the interest on government debt remains with the banks.

Jeha: The data are from the IBGE. In 1970, the banks accounted for 6 percent of GDP; by 1985, they were up to 12.9 percent. And to show when the Brazilian economy underwent that process, it can be pointed out that the figure was 7.9 percent in 1980. Between 1980 and 1985, the financial sector's participation in the economy rose from 7.9 to 12.9 percent. That just to give you an idea. Banks today account for more than agriculture, which stands at around 10 percent. Industry remained stagnant at between 33 and 35 percent, and trade fell from 16.4 to 12.9 percent. I don't want to criticize the banks, but the bankers need to realize that they perform a social function.

Nakano: I consider your statement extremely opportune, especially since the basic point in the Macroeconomic Plan we have published is the recovery of the public sector's savings capacity, not in order to increase its participation but because a number of essential investments remain to be made. And the question of interest can also be analyzed differently. If we look at real interest rates over the past few years beginning with the second oil shock, we see that they far exceed the profitability of any industrial project. Any industrial project will yield 15 percent.

Tabacof: Why is it that industrial projects were or are less profitable than financial investments? Is that the heart of the problem?

Nakano: If we go looking for the source of the problem, we will wind up back in the previous period, which was dominated by the public sector with its big investments and big debts. Those investments were made by going into debt. When the shock of high interest rates and the second oil shock came along, we began making adjustments to the domestic sector, and the entire cost of those adjustments fell on the government.

Net government revenues, which had amounted to 16 or 17 percent in the 1970's, fell to 9 or 10 percent because the public sector was absorbing all the debt—chiefly foreign debt. The entire cost of the exchange devaluation that was carried out in that period to adjust the external sector fell on the government. Moreover, a number of incentives and subsidies were granted to sustain exports, and that was where the government started to have growing problems with the public deficit. It is forced to finance itself daily on the market. That puts pressure on interest rates and makes room for the financial sector to take a growing share. We really are in a trap, and we have to dismantle it.

Hence the need for price controls, because otherwise inflation will explode. When interest rates are high, businessmen prefer not to hire employees and buy raw materials, even if they have idle capacity, because they



do not want to borrow from the banks. This is not to blame the banks. It is a vicious circle. And to break it, the government must take the initiative by cutting its expenditures and increasing its revenues. Tax reform is the only solution; there is no other. Net tax revenues amount to 9 or 10 percent of GDP.

Eberhardt: If you were a businessman and not in government service, would you invest in your firm or in the market?

Nakano: I would follow my perception of the situation.

Eberhardt: I am speaking candidly.

Nakano: A businessman has other motives. But looking at it rationally, I consider productive investment to be one of the most risky ventures in this country: it is much easier to invest daily in the financial sector.

Tabacof: That is where the problem lies. It is not normal. The question today is how to reactivate investments. When people talk about increasing government revenues and cutting government spending, I become apprehensive. This needs to be placed in a broader context. Nothing is more conducive to recession than a sharp cutback in government spending. Many businessmen are charmed by its appeal, but if it is not accompanied by other stimulative measures, it may mean disaster for the Brazilian economy.

Nakano: What we say in the plan is that the private sector must invest: it must reach 24 or 25 percent of GDP. The chief investor must be the private sector. We must reverse what happened in the previous period because the public sector is in debt and the private sector is not. That is where I feel we will have to make some important changes. We are on the threshold of passing from a developing to a developed economy, and we must therefore separate ourselves from the past. Tariff reform is one step in that process. We must move forward, but how?

Here I am going to state a personal opinion, because so far I have been unable to convince the people I work with. I feel that the solution is to make a serious start toward the export model by reversing the dynamic role that has been played until now by the public sector, because businessmen will have the same incentive as that provided by a lottery: profit.

That will bring us out of the trap that has been set. That and another series of adjustments to the system to restore our level of investment. The private sector will make the investments, and that will pull everything else along. And there is something else that we must add: Brazil is no longer a country that exports only a certain type of product: we export almost everything, and investment will therefore cover the domestic market as well.

Eberhardt: You said you had been unable to sell that idea to your colleagues...

Nakano: Because it has an explosive cost on the inflation side and an explosive cost as far as the public deficit is concerned.

Eberhardt: That worries me. To reach that point, the basic need is for confidence, and that is what is lacking the most. I feel that exports are the solution, but we cannot forget that the multinational firms will be included in this pact, and the way in which foreign capital is being treated may cause a lot of difficulties. In our sector, we lost \$1.2 billion in investments—the forecast was for \$400 million in the first half of the year plus another \$100 million or \$200 million.

And if the automobile industry does not invest, we, too, are going to be left behind. So much so that in the protocol that is being discussed, price is secondary: what we want to know is when they are going to invest.

Camoes: I would like for you to explain to me why you feel that inflation is going to stabilize in February.

Nakano: We are still in a phase of adjusting lagging prices. Because of that, the inflation rate will have to remain high in November, December, and January. The expectation is that February will then show a slightly downward trend. Then sectors will be deregulated and lagging prices corrected.

Camoes: Are there still many sectors left?

Tabacof: It is a good idea to make it clear that there is not going to be another shock afterwards. That would be disastrous.

Nakano: There cannot even be any more thought of a shock, because if that idea begins to circulate, it will create a terrible bombshell. Because of that, it is important that the businessmen not pass wage increases along to their customers in the form of higher prices and that they not raise prices in anticipation of a hypothetical price freeze, because that would start a race between prices and wages. A freeze is a collective agreement, because the government is not in a position to control everything.

O GLOBO: Will it still take a lot of time to adjust those prices?

Nakano: The situation is better than it was in June. There was some complication in terms of what we had expected because of the higher rate of inflation and the delay by the CIP [Interministerial Price Council] in taking action. The number of people complaining to the ministry about prices has declined significantly.

Jeha: Do you agree that the United States must make some domestic adjustments? How can we reconcile the use of exports to solve the crisis with the possibility of a protectionist movement in the United States? Is there a possibility of coordination among the chief economies—those of the United States, the FRG, and Japan—with the two latter countries replacing the United States as major importers and keeping international trade at a relatively high level?

Nakano: I feel that that is going to happen. I am counting on it. The stock market crash has caused concern in the governments of Europe and Japan. It is obvious that the U.S. economy is going to make an effort to reduce the trade deficit and cut the public deficit. That is going to have a big impact, and there will be a coordinated policy, with Japan and European countries adopting less rigid monetary and fiscal policies and returning to growth. This means that there will some degree of compensation.

Jeha: Does the Brazilian Government have a policy for investing in a move to shift the flow of exports to Japan, where you have had contacts?

Nakano: For the present, everything is at a standstill because of the foreign debt. We were trying to establish a line of financing with Japan without an agreement with the banks—without an agreement with the IMF—but there were difficulties in the process. I understand that the Japanese were amenable to an agreement, but there

was that decision to negotiate with the IMF following the agreement with the banks, and now we have to wait for the next step and bring this period to an end. But the channel is open, and the light is green.

O GLOBO: Let us get back to the measures which may lead to a resolution of the impasse. Could you explain some of the changes in connection with the fiscal and tax reform?

Nakano: The main objective is to refrain from increasing government revenues by very much, because there are a number of subsidies and incentives that can be eliminated, thereby increasing the government's revenues. The change that I picture will reduce everyone's average rate by doing away with exemptions and distributing the burden more equitably among the various classes of taxpayer. In terms of increased revenues, I assume that it will be necessary to get involved in the area of direct taxes, even though that is inflationary, in an attempt to establish a low rate for all products.

I feel that much work needs to be done in the area of fiscal administration to improve the efficiency of the machinery. In the case of public entities, there is no way that they will be increased. I feel that their number should be reduced and that a few additional incentives should be provided to stimulate investment.

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**Agriculture Minister Criticizes Workers' Progress**  
*FL160153 Havana Radio Rebelde Network*  
*in Spanish 0000 GMT 16 Dec 87*

[Text] Agriculture Minister Adolfo Diaz Suarez said that Cuba's principle agricultural-livestock products will increase next year, despite the economic difficulties.

Diaz Suarez spoke at the third national seminar for secretary generals of Havana City agricultural-livestock trade unions.

The agriculture minister stressed that the plans for each front are tense and are still being analyzed so that they

will be as realistic as possible. To fulfill these plans it will be necessary for workers to be efficient and use all available resources and agricultural machinery with care, he added.

The minister criticized the unprofitable status of many collectives and their slowness in consolidating plans for self-sufficiency and construction of homes for workers. He also considered less than satisfactory the advancements made this year in organizing labor and salaries.

Diaz Suarez said that revision of the guidelines will continue until they become useful tools.

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## **Labor Developments: NWU Meeting, Hoyte-TUC Talks**

### **NWU Campaign**

32980093b Georgetown OPEN WORD in English  
2 Nov 87 p 3

[Text] The National Workers Union will lobby for the six unions to break away from the TUC on the one hand and will intensify its work in the grassroots to organise the large number of workers who are non-unionised and are presently abandoning unions. This statement was made by Mr Claudius London, president of NWU, as he delivered a thought-provoking address on "A Living Wage and a Labour Alternative" to the first biennial conference of the union held in Georgetown, October 25.

The conference passed resolutions calling on the PNC regime to pay workers to leave shell unions; resolutions in favour of sugar and bauxite workers and rice farmers and other interests. It also passed a resolution supporting Amerindians and the practice of racism against them. It passed a motion demanding fair and free elections in Guyana.

### **Report on NWU Proceedings**

32980093b Georgetown CATHOLIC STANDARD  
in English 1 Nov 87 p 4

[Text] About 250 delegates and guests of the National Workers Union filled the Savannah Suite of the Pegasus Hotel last Sunday for the union's first Biennial Conference.

Delegates were brought in from the Corentyne, East and West Coast, Georgetown, Linden, and other parts and were provided with meals.

Paul Tennessee, who delivered one of the two major addresses assured the union that the Latin American confederation of Workers (CLAT) was happy to support their cause and would continue to support them.

A number of their members had, he said, the benefit of training at the Caribbean Institute of Social Formation in Curacao and the Caribbean and the fact that he had returned to the country just three days before the well-organised conference bore testimony to the ability of these leaders to organise their own union.

The NWU was founded two years ago and was registered in January 1986.

It claims to draw membership from taxi drivers, teachers, farmers, sugar and other workers.

The union, according to its President Claudius London, is pledged to struggle for a living wage and for an alternative to the TUC

Both he and Paul Tennessee strongly criticised the TUC for its failure to take the part of the workers in their claim for a living wage and for not standing up to the PNC dictatorship.

They also took to task the TUC for not opposing sufficiently the Labour Amendment Act which they held to be the worst anti-labour bit of legislation in the Caribbean.

One of the number of resolutions passed during the afternoon's closed session called for free and fair elections, the establishment of an independent elections commission, for the counting of votes at the place of voting, and for international observers to be allowed freely to observe the conduct of the elections.

Another resolution called for the IMF to "publicly state that the fundamental problem in Guyana is political and that there will be no economic progress in Guyana unless there are free and fair elections in Guyana."

Mr Paul Tennessee, who is the Caribbean Workers Council General Secretary and Executive Secretary of CLAT, is also the leader of the Democratic Labour Movement (DLM) political party.

He has been busy organising for CLAT and CWC in the Caribbean.

Special guests at the meeting were Boysie James, President General of the All Trinidad Sugar and General Workers Trade Union (of which Basdeo Panday was President) and Bradley Carrott, Vice-President of the Antigua Trades and Labour Union and President of the Antigua and Barbuda Senate.

After the conference, two of the delegates who marched to the Public Buildings to lay a wreath at Critchlow's statue, were picked up by the police. They were reportedly held for four hours and questioned.

Approached for a comment on the new union, President of the CCWU Gordon Todd said, "The NWU is too broadly based to be a bonafide trade union as is understood in Guyana. I have heard of no application for recognition from employees, public or private."

"It would appear," Mr Todd said, "that the union was formed as the industrial arm of the DLM."

"The CCWU," he added, "although well-established, could not afford to hold a conference at the Pegasus."

**Hoyte on Union Issues**

32980093b Georgetown GUYANA CHRONICLE  
in English 10 Nov 87 p 4

[Text] Government has invited the Guyana Trades Union Congress (TUC) to consult with it on the Court of Appeal decision nullifying two-sections of the Labour Amendment Act.

President Desmond Hoyte disclosed the invitation Saturday when he addressed the General Council of the People's National Congress on a wide range of policy initiatives programmed for implementation over the next few months.

The recent Court decision was mentioned in the President's speech as General Council was having discussions, with invited union leaders among others on how best to maintain industrial stability as prerequisite for foreign investment.

President Hoyte said the Court decision is final and binding, "whether we agree with it or not."

Still, he added, the court decision is a matter of great national interest that is going to have incalculable effects upon the public sector and upon the national economy as a whole.

The legislation just nullified by the Appellate Court made the Trades Union Congress the sole bargaining agent for wages and salaries of public sector workers.

Additionally, that system allowed for a kind of cross-subsidy arrangement that enabled workers in deficit corporations to still benefit from wage and salary increases.

That process of wage bargaining provided enormous advantages for the country's workers and over the past ten years led to a great measure of union contentment and industrial stability and orderliness.

"That might not be possible now," President Hoyte said Saturday.

"For if a corporation is making losses, it cannot pay increases. And...we will have to shut it down. That is the inescapable logic."

He said reverting to negotiations by individual unions could be a prescription for anarchy, the type of situation the (Labour Amendment) Act sought to avoid.

President Hoyte said the TUC and its affiliates need to ponder the questions raised by the court decision and advise Government on their position.

"Government remains open to dialogue and to representations," he emphasised.

Union spokesmen said yesterday their organisations are still studying the decision.

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### Recent Political, Economic, Social Developments

32480044 [Editorial Report] Various Spanish-language Mexican press sources, as indicated, have been consulted to prepare the following collection of extracts, No 7 in a series. Where further processing by FBIS is planned, a note to this effect accompanies the item.

**Special PRI Commission**—The 42-member Commission for the Strengthening and Modernization of the Institutional Revolutionary Party (PRI) was installed on 23 November by PRI presidential candidate Carlos Salinas de Gortari. According to party president Jorge de la Vega Dominguez, the commission will seek to consolidate improvements and open new channels for intensifying participation by the party rank-and-file; it shows, he said, that "party discipline does not mean unquestioning obedience and that critical and imaginative thinking are among our obligations as party members." Among the commission's membership, which includes 3 women, are: Socorro Diaz, Maria Emilia Farias, Tlaxcala Governor Beatriz Paredes, PRI National Executive Committee Secretary General Humberto Lugo Gil, Pedro Joaquin Coldwell, former PRI presidents Gustavo Carvajal Moreno, Alfonso Corona del Rosal, Javier Garcia Paniagua, Adolfo Lugo Verduzco, Alfonso Martinez Dominguez, Lauro Ortega Martinez, Manuel Sanchez Vite, and Pedro Ojeda Paullada; former Interior Secretary Enrique Olivares Santana and his son Hector Hugo Olivares Ventura, head of the National Peasant Confederation; Jose Carreno Carlon, assistant editor of LA JORNADA newspaper; Luis Donald Colosio, Rodolfo Echeverria Ruiz, Vicente Fuentes Diaz, Emilio Gonzalez Parra, Gerardo Borrego Estrada, Rodolfo Gonzalez Guevara, Enrique Gonzales Pedrero, Tulio Hernandez, Horacio Labastida, Gonzalo Martinez Corbala, Janitzio Mujica, Heladio Ramirez, Mariano Palacios Alcocer, and Arturo Romo. [Mexico City LA JORNADA 24 Nov 87 p 15; a Mexico City PROCESO report of 30 Nov 87 on the ideological orientation of several commission members will appear in a future issue of JPRS REPORT: LATIN AMERICA.]

**PMS Governing Bodies Selected at First Congress**—The first Mexican Socialist Party (PMS) congress, which was held 25-29 November and overwhelmingly ratified the presidential candidacy of Heberto Castillo, also selected a 14-member secretariat, the party's highest governing organ; a 36-member Executive Committee; and a 159-member National Council. The secretariat is composed of Jorge Alcocer, Raymundo Cardenas, and Guillermo Rincon Gallardo, formerly of the Unified Socialist Party of Mexico (PSUM); Heberto Castillo, Eduardo Valle, and Jose Luis Hernandez, formerly of the Mexican Workers Party (PMT); Jesus Ortega, Graco Ramirez, and Miguel Alonso Raya, formerly of the Socialist Workers Party (PST); Rodolfo Armenta and Carmelo Enriquez, formerly of the Popular Revolutionary Movement (MRP); Camilo Valenzuela and Jose Dominguez, formerly of the Patriotic Revolutionary Party (PPR); and Manuel Terrazas, formerly of Communist Left Unity

(UIC). The Executive Committee, which is the permanent leadership body and empowered to convoke the National Council, has among its membership 9 former PSUM members, 7 former PMT members, 7 former PST members, 5 former MRP members, 5 former PPR members, and 3 former UIC members. [LA JORNADA 29 Nov 87 pp 4, 7; LA JORNADA 30 Nov 87 pp 4; 40, 8.]

**PEMEX Planned Investments**—A Mexican Petroleum (PEMEX) economic study has stated that the parastate enterprise will invest 6 trillion pesos during 1988. Of this amount, 54 percent is earmarked for exploration and extraction, 29 percent for gas and oil processing, 10 percent for oil and petrochemical sales, with the remaining 7 percent for related projects. Exploration projects for 1988 number 355, 95 percent of which are to be land-based, the remaining 5 percent, marine; 38 exploratory wells will be drilled. The drilling and completion of 116 developmental wells is planned for the purpose of meeting domestic demand and an export level of 1.3 million barrels per day. [Mexico City EXCELSIOR 24 Nov 87 p 18-A; for earlier reporting on PEMEX investment plans see "Recent Political, Economic, Social Developments," No 3 in this series, in the JPRS REPORT: LATIN AMERICA of 5 Nov 87 (JPRS-LAM-87-071), pp 42-43.]

**Unfinished Government Projects**—According to the Planning and Budget Secretariat, it will not be possible to complete during 1988 all 639 government projects currently underway because of a shortage of both funding and time. Investments next year will concentrate on social welfare construction projects, primarily those in the areas of health and education, as well as those related to basic economic infrastructure and energy. The number of projects remaining to be completed in 1988 will be 3 times greater than those completed in 1987 and their cost almost 12 times higher, due mainly to inflation. [Mexico City UNOMASUNO 17 Nov 87 pp 1, 15.]

**Campaign Against Bishop Lona Reyes**—PUNTO reports that caciques of the Isthmus of Tehuantepec region are promoting a defamatory campaign against Bishop of Tehuantepec Arturo Lona Reyes that has included graffiti on the walls of the cathedral and various diocesan buildings; and in a reference to the bishop, "Antichrist" has been painted on a church vehicle. This was followed on the evening of 13 November by an 8-hour occupation of the episcopal offices by 20 heavily-armed men who carried out a threatening but fruitless search for the bishop until dawn of the next day, at which time they withdrew to continue their search elsewhere. [Mexico City PUNTO 30 Nov 87 p 7.]

**Government Intelligence Reporting Mechanism**—For 2 reports appearing in the 1 Sep 87 PROCESO on the domestic political intelligence reporting apparatus of the Interior Secretariat's General Directorate for Investigation and National Security, see the JPRS REPORT: LATIN AMERICA of 18 Nov 87 (JPRS-LAM-87-072), pp 27-31.



# **Michoacan Opponents of CD Issue Appeal to PTI Members**

81482169b Mexico City UNOMASUNO in Spanish  
21 Sep 87 pp 16-17

[Text] To the Members of PRI Throughout the Nation

Mexico today is experiencing difficult times that require nationalistic unity and conviction. We enjoy political stability and a legally established order, with a clear and well-defined national agenda that we Mexicans are firmly pursuing.

There is a constitutional framework for our elections, and it will undoubtedly permit democratic participation in electing a new president and Congress.

Our party, PRI, with its rank and file, its officers, its organizations and its platform, is prepared to remain the majority choice and best option of the Mexican electorate, as it has been since 1929.

In August 1986 the press reported the formation of a group, the ill-termed "democratizing current," overtly headed by the man who was still governor of Michoacan, Cuauhtemoc Cardenas Solorzano. From the beginning his intentions were strictly personal; he sought only to run for president of the republic.

As Michoacan PRI members, we have seen his ineffectiveness as a governor and the deep-rooted cronyism to which he is still committed today, so much so that the group surrounding him has launched him on a political adventure that has no return.

These individuals, who are without a political background and are not activists in any party, have tried to sow confusion in the ranks of our party and anxiety in our state and in the country.

This document has but one purpose: to make PRI members all over the nation aware of the judgment that we residents of Michoacan and members of PRI have formed about Cuauhtemoc Cardenas as a politician, an administrator and a governor. Therefore, we hereby proclaim that:

1. From a political and electoral standpoint, Cuauhtemoc Cardenas seriously undermined the structures of PRI in Michoacan, harmed our party's rank and file organizations and handed policy-making over to an individual whose political and moral background has always marked him as an enemy of PRI: Francisco Javier Ovando.

Javier Ovando is a man of dubious conduct, an adventurer, an upstart and an advocate of violence. He and the governor together made capricious decisions that passed over all of PRI's natural leaders and activists in the state while favoring their closest friends. He also mocked

PRI's emblems, locked out the sectors and gave preference to the groups that represented personal interests. All of this prompted conflicts and violence and ultimately led to the loss of a good many city halls to the opposition, to internal squabbling among PRI members and to the surrender of the most important mayoral posts after the capital, Uruapan and Zamora.

After what they did, they cannot possibly call themselves members of PRI.

2. From a financial and administrative standpoint, his administration was marked by severe neglect, sloppiness and grave irregularities; in the best of cases it could be described as frivolous and irresponsible. It blurred the lines between public affairs and personal matters and doubled the bureaucratic payroll unnecessarily, thus increasing current expenditures inordinately, to the detriment of public works in Michoacan.

His 6-year term was characterized most prominently by administrative disarray and waste, inefficiency, inconsistency, the useless shuffling of officials and employees, lack of coordination, feuding over administrative hierarchy, and the irresponsible performance of public functions and tasks. Thus, the local legislature has been unable, to date, to report on the 1985 fiscal year budget owing to the many irregularities. There is talk that a considerable amount of funding was siphoned off, and the most recent fiscal-year budget alone left 13.6 billion pesos in accounts payable.

Cuauhtemoc Cardenas' political inconsistency can be seen in each of his actions. As examples, we need point only to the appointment of Leonel Godoy, an activist in another party and, as even he publicly described himself in his professional thesis, "a rabid enemy of PRI." He served as secretary general of government and, before that, as assistant district attorney.

We can also mention the appointment of Roberto Robles Garnica, who has close ties to subversive movements and has never been active in PRI. He first served as government secretary and was then installed as mayor of Morelia. From these posts he also fought PRI.

But the touchiest issue and the proof that Cuauhtemoc Cardenas divorced himself completely from PRI was his close personal ties with Heberto Castillo, to whom he handed over part of his administration's major public work, a hotel.

3. From the standpoint of social policy, the measures that Cuauhtemoc Cardenas took were populist, worked poorly and harmed the interests of the social groups that they were supposed to help. The outcome was disastrous. The state government's takeover of public transportation, for example, could have been successful but was a failure owing to mismanagement and corruption. Urban public service was practically destroyed in the city of Morelia.

The tenancy law also had the opposite of its intended effect. The supply of rental housing disappeared; construction stopped; a black market in rents arose, and in general progress in housing was dramatically reversed in Michoacan.

The government's bans on the consumption of alcoholic beverages and on prostitution, among others, were counterproductive, as disorder proliferated, high-handedness spread, various diseases arose, hygiene inspections stopped, and anarchy, pretense and corruption were fostered.

4. During his 6-year term laws were violated complacently, and uncertainty and insecurity were deliberately created. Taking false agrarian stands, the state government fomented serious conflicts among the peasants and intentionally tarnished the prestige of the largest peasant organization by portraying its leader as a traitor, even though Cuauhtemoc Cardenas himself had installed him in that representative position. This outburst caused confusion, dismay and disrespect for the CNC [National Peasant Confederation] and the state governor himself.

Besides attacking the CNC, Cuauhtemoc Cardenas tolerated and encouraged invasions of rural and urban lands and even homes in the downtown area of the capital. Not only was private property invaded, but ejido and communal lands were too, at the instigation of Efen Capiz. Such invasions led to the outbreak of many confrontations among peasants that left more than 50 dead and created a climate of insecurity about land tenure. More than 20,000 hectares are still occupied, thus creating an environment inimical to development and productive effort.

5. We residents of Michoacan will never allow the climate of disunity and disarray that we experienced during the administration of Cuauhtemoc Cardenas to be repeated. We have always been active in the vanguard of the movements that have charted the paths of Mexico's progress, during the struggle for independence, the reform, the revolution and in the modern era under Lazaro Cardenas, the great statesman from Michoacan of whom all Mexicans are heirs. With him we reaffirm that what is important is not men, but the institutions we must preserve.

Lazaro Cardenas bequeathed us his work, his revolutionary ideology and his institutional loyalty. It was he who gave our party its social orientation and nationalism. Our party has principles, a program and bylaws, which all of us activists, who are committed to Mexico, respect without vacillation.

The consistency and the common ground between the real government and the official government is perhaps the Michoacan president's greatest political contribution to our history.

Because we are loyal followers of Cardenas' ideas and because we realize his true dimension as a great social reformer, we are opposed to the political status quo that Cuauhtemoc Cardenas seeks to preserve in Michoacan, betraying the memory of his father and to the detriment of our institutions and a constitutional government based on the will of the people.

We say to PRI members throughout the nation that we must make common cause with the decisions of our party's rank and file organizations. We also say to them that in Michoacan there is unity, discipline and proven loyalty to our national leadership and to the leader of our party, Miguel de la Madrid.

Morelia, Michoacan, 18 September 1987

#### National Legislators

Senator Norberto Mora Plancarte [signed] Deputy Rafael Ruiz Bejar [signed] Deputy Antonio Correa Lopez [signed] Deputy Raul Castellano [signed] Deputy Jose Berber Sanchez [signed] Deputy Ignacio Ramos Espinoza [signed] Deputy Ascencion Bustos [signed] Deputy Abimael Lopez Castillo [signed] Deputy Juan Carlos Velazco [signed] Deputy Rosalba Buenrostro [signed]

#### State Legislators

Deputy Jose M. Valencia C. [signed] Deputy Artemio Yanez C. [signed] Deputy Jose Cervantes A. Deputy Roberto Garibay O. [signed] Deputy Francisco Bautista [signed] Deputy Manuel Alvarez B. [signed] Deputy Guillermo Navarro A. [signed] Deputy J. Ascencion Orihuela [signed] Deputy Ramiro Contreras N. [signed] Deputy Luis Meza Ramos [signed] Deputy Jorge Pita Arroyo [signed] Deputy Manuel Mercado Tovar Deputy Antonio Gutierrez S. [signed] Deputy Ausencio Chavez Hernandez [signed] Deputy Rafael Corona Bazaldua [signed] Deputy Rodolfo Paniagua A. [signed] Deputy Maria Villasenor D. [signed]

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#### PRI Special Commission Features Variegated Membership

32480042 Mexico City PROCESO in Spanish  
No 578, 30 Nov 87 pp 20-23

[Article by Oscar Hinojosa]

[Text] It is not just another of the many temporary, incidental commissions; it is the big commission. Its responsibility is to fulfill at home the campaign pledge that Carlos Salinas de Gortari is proclaiming all over; it is the Commission for the Strengthening and Modernization of the PRI.

Forty-two of the ruling party's finest men have been entrusted with a herculean task. Marxists, Marx scholars, Friedmanites close to the Opus Dei, renovators, orthodox, men of the candidate, men of the increasingly powerful Enrique Gonzalez Pedrero, men of the party and sector bureaucracy, men won over from the Democratic Current and even a few men snatched from extreme unction, make up this collection of PRI members with "nationalistic convictions, a wealth of party experience and a devotion to renewal" that will guarantee the modernization of PRI, as Jorge de la Vega put it.

The Modernization Commission to a great degree reflects personality traits of the presidential candidate himself: a man who describes himself as a politician of the "progressive Center." Throughout his life Salinas de Gortari has been under the influence of two basic ideological forces, in a way within his own family: Salinas on the Right and De Gortari on the Left.

Thus, there are men on the Modernization Commission who come from both the Right and the Left, along with others who all their lives have refused to take a stand on the "political spectrum," a gesture that is looked upon disapprovingly among PRI members. Leftists predominate, but to tell the truth, almost all of them distanced themselves some time ago from their former convictions and attachments. They have shifted from the extremes to the center.

In other times some have been blunt and implacable critics of PRI. Others have always remained silent, even in the face of the atrocities of PRI and PRI members. Some have even resolutely combated the others, as if they were partisan adversaries. Today they are all in the same boat.

Humberto Lugo Gil is the coordinator of the commission; Pedro Joaquin Coldwell is its secretary, and there are 40 other modernizers.

A cross-section of the commission reveals various groups. In the first place there are Salinas de Gortari's men: Genaro Borrego Estrada, Manuel Cavazos Lerma, Luis Donaldo Colosio Murrieta, Patricio Chirinos Calero, Emilio Lozoya Thalmann, Hector Hugo Olivares Ventura, Mariano Palacios Alcocer, Beatriz Paredes Rangel, Heladio Ramirez Lopez and Socrates Rizzo Garcia.

Three of these men with a future enjoy growing power. Emilio Lozoya, the undersecretary of labor and chairman of the Consulting Council of the IEPES [Institute for Political, Economic and Social Studies], Manuel Camacho and Rene Villarreal have been linked to Salinas de Gortari since their college and postgraduate days, although Villarreal has distanced himself somewhat from the group. Salinas and Lozoya saw the original manuscript of a book ("The Immediate Future") by the current head of SEDUE [Secretariat of Urban Development and Ecology], which will no doubt see further

printings soon, and contributed substantive suggestions to it, a sign of how close the three are. Lozoya is one of the men of whom we must not lose sight in the years to come.

Luis Donaldo Colosio is a graduate of the Monterey Technological School and received his doctorate from Pennsylvania; he teaches at the Colegio de Mexico and Anahuac University. He is a former director of Regional Planning and Budget, a current federal deputy and left the strategic Planning and Budget Committee of the Chamber of Deputies to take over as general coordinator of the presidential campaign, a position from which he has reduced the actual involvement of PRI's official leaders, Jorge de la Vega and Humberto Lugo.

Patricio Chirinos, originally a Reyes Heróles man with party and administrative experience, is another of the politicians who have really been close to the candidate for several years. As the director general of delegations of the Planning and Budget Secretariat, he was in charge of relations with the governors. His involvement in campaign activities not strictly linked to his current post (secretary of electoral action) proves that his influence goes beyond his official responsibility.

Socrates Rizzo, a former director of economic and social planning and a substitute for Donaldo Colosio on the Planning and Budget Committee, is one of the candidate's men who after years of feverish leftwing extremism sharpened his aim and joined the government. A Nuevo Leon native through and through and a graduate of the University of Nuevo Leon, he abandoned radicalism, as summarized in the phrase "not one step backward, not even to take flight," when he studied for his doctorate in economics from 1971 to 1975 at the University of Chicago, the alma mater of the monetarists. In the ensuing years he taught at the Autonomous Technological Institute of Mexico and other public and private centers of higher learning.

Manuel Cavazos Lerma, who was trained in financial circles, is one of the economists closest to Francisco Gil Diaz, who at one time was regarded as the head of the Chicago Boys. During the times when the struggle for the succession temporarily made Manuel Bartlett and Carlos Salinas allies against Silva Herzog, Cavazos Lerma became principal official of the Interior Secretariat. But he has apparently rejoined his original group.

A 1974 feud with Eliezer Tijerina, the current assistant director of the Mexican Petroleum Institute, left no doubt as to the monetarist tendencies of Cavazos Lerma, who was a direct disciple of Milton Friedman at the University of Chicago, an item that does not appear in his official curriculum vitae. The controversy revealed a Cavazos Lerma who was resolutely opposed to government intervention in the economy. To him the villains responsible for inflation were the public sector and the Federal Executive Branch.



Cavazos Lerma is (or was) an economist with close ties to the Pan-American Institute of High-Level Business Management (IPADE), the businessmen's university that is inspired by the Opus Dei. Like Francisco Gil Diaz, the assistant director of the Bank of Mexico, Cavazos Lerma has taught seminars at IPADE alongside the institute's big shots, Carlos Acedo, who is also a federal official, Sergio Raimondo-Kedilhao and Jose Maria Basagoiti, as reported in the GACETA IPADE. Politics makes strange bedfellows: the newspaper that gave the public the decisive information about the IPADE-Opus Dei link was EL DIA (23 May 1983), whose editor is Senator Socorro Diaz, a fellow party member of Cavazos Lerma.

According to economics experts, the current principal official of the Interior Secretariat broke his ties with Friedman in the early 1980's. Cavazos Lerma has outlined his stand and embraced the elements of PRI economic policy in various publications. He has become a convert to the Center.

### Leftwing, But Cautious

Colima Senator Socorro Diaz Palacios, a strong-willed woman, was victorious in the struggle for the editorship of EL DIA, presumably with government support, after Enrique Ramirez y Ramirez died. A native of the same region as President De la Madrid, she made it to the Senate and the PRI Ideology Commission (a post that Enrique Ramirez y Ramirez held previously) 12 years after she succeeded in joining EL DIA through Jorge Aymami, the assistant editor whom she defeated in the battle to succeed Ramirez y Ramirez.

Socorro Diaz described herself as a "Marxist" in 1981, although she refused to "label herself a leftist." In those days Lopez-Portillo disapproved of placing oneself on the political spectrum.

Her ideological position is still vague, but when Socorro Diaz was at the "Carlos Septien Garcia" journalism school, her language was not Marxist. Trained alongside Ramirez y Ramirez, she devoted her early years in the journalistic cooperative that she controls today to, among other tasks, reviewing the entertainment world in her section "Farandula y faramalla" [show business and flash] under the pseudonym Ursula Palacios.

Today's ideologue described herself as follows in an interview with the defunct magazine RAZONES:

"Do you consider yourself a leftwing journalist?"

"I would like to dispense with facile definitions. I have always refused to label myself a leftist, precisely because I think that the term leftist covers a great many things. It is an umbrella that covers many things. It lends itself greatly to heightening the very widespread ideological

confusion that exists in our country. I have chosen to describe myself genuinely and sincerely as a journalist who is active in the progressive, democratic and revolutionary current of Mexico."

"Do you consider yourself a Marxist?"

"Yes. I will tell you that rather than considering myself one, I aspire to be a person who can use the Marxist system, the Marxist ideology, the Marxist knowledge and philosophy as a tool for approaching reality, for interpreting reality, in the keen understanding that it is not just a matter of interpreting and approaching but also of seeking to transform the reality that we are living."

Expelled from EL DIA in a manner that some likened to McCarthyite persecution, former PRI Deputy Jose Carreno, who is among those entrusted with modernizing PRI, explained to Federico Campbell the context and circumstances of his ouster, as the former recounted in his novel "Pretextos."

Carreno, a talented and cultured native of Sonora, was accused of not backing Ramirez y Ramirez' support for the government during "the events that culminated in the Tlatelolco massacre" and of giving too much coverage (he was the chief of the international section) to revolutionary movements and news from the socialist countries, among other charges.

He personally endured what he described as the McCarthyism of the deceased founder of EL DIA at an assembly of cooperative members. His reply was that "the only person who obviously brought outside instructions to journalism, that is to say, from his well-known political group, was Enrique Ramirez et cetera." "Well-known political group" was one of the cleverest expressions that anyone has ever used to describe PRI.

Once inside PRI (he worked with Salinas de Gortari 6 years ago in the assistant directorate of IEPES publicity), Carreno maintained his critical spirit of renewal.

On 18 December 1978 in UNOMASUNO he described the nomination of Martinez Dominguez, a fellow commission member, for governor of Nuevo Leon as "a goal that official reformism is scoring against itself."

Carreno Carlon has written a thunderous description of his modernizing colleague. In the same article he said:

"Alfonso Martinez Dominguez is an archetype, a finished model of the ladder-climbing bureaucracy that since the time of Miguel Aleman has taken the country down the road of capital accumulation and the abandonment of all scruples about the original principles of the system, within a framework of political and administrative immorality and the repression of all grassroots unrest."

Today, besides sitting on the PRI Modernization Commission, Carreno Carlon is an assistant editor of LA JORNADA.

### **The Power of Gonzalez Pedrero**

The most powerful of the PRI members with a leftwing past is today Enrique Gonzalez Pedrero, the former head of the Department of Political Sciences of UNAM [National Autonomous University of Mexico], a Marx scholar who trains Marx scholars, the author of several books, one of the them "The Great About-face [El Gran Viraje], a senator of the republic and director of Channel 13 by order of President Echeverria.

His current influence is borne out by the fact that followers of his have been placed on the Modernization Commission and in the IEPES, among them the prominent Marx scholar Raul Olmedo Carranza, as well as Guillermo Knochenhauer, Arturo Gonzalez Cosio, Mauricio Merino Huerta and Mario Martinez Silva.

The fact that the presidential candidate has selected "Let Mexico speak" as his campaign slogan reflects, no doubt, the influence of the governor of Tabasco, who used the expression "Let Tabasco speak" in his own political campaign.

Like other PRI members with an identical past, Gonzalez Pedrero wrote and fought against PRI. Bearing witness to Gonzalez Pedrero's caustic antigovernment criticism are his articles in the defunct magazine POLITICA up to the time that Gustavo Diaz Ordaz was unveiled, after which he began his own major about-face towards the government.

Raul Olmedo Carranza was always a distinguished student, which puts him on the same footing as most of the technocrats in power. He attended only public schools and in the early 1960's was one of the students whom Gonzalez Pedrero strove to turn into a young Marxist intelligentsia.

A hardworking two-shift student at UNAM, Olmedo took classes with Victor Flores Olea, Arturo Gonzalez Cosio, Pablo and Henrique Gonzalez Casanova, Horacio Labastida and Rodolfo Stavenhagen, among other professors. The current assistant director of IEPES Decentralization Studies was eager to become an orator, a poet and an essayist, so vast were his personal ambitions.

Fernando Zamora Millan supported Olmedo when the latter won a scholarship to study at La Sorbonne in Paris. When he returned, in 1970, with his solid Marxist grounding, he began a memorable seminar at UNAM: he taught first-semester political science majors Karl Marx' crowning work, which occupied him over some 20 years of arduous research and thought.

For several years he performed this task of popularizing and teaching Marxism and was also the head of EXCELSIOR'S financial section. In recent times he has devoted himself to regional and municipal problems in the Interior Secretariat and today in PRI.

In IEPES and on the Modernization Commission Arturo Gonzalez Cosio clearly represents the position of his friend Gonzalez Pedrero. As the leader of the Henriquez youth, in 1952 he got to know the forceful approach of Gen Antonio Nava Castillo, the chief of the capital city police, during the long remembered crackdown on the meeting in the Alameda Central in Mexico City. Young Gonzalez Cosio wound up in jail; years later he would become a member of the "Half Century" generation, to which Porfirio Munoz Ledo also belonged.

The author of several books and the holder of a doctorate in sociology from Germany, Gonzalez Cosio, a former director of the PRI Political Training Institute, has in recent years combined his interest in politics with research and poetry composition. He is known to especially cultivate haiku, a verse form that is used mainly in Japan.

### **Must Know How To Change**

Four men who have been linked in varying degrees to the Democratic Current (CD) of PRI are also on the Modernization Commission. They are: Rodolfo Gonzalez Guevara, whom many consider the inspiration of the democratizers, although he has himself publicly spelled out his agreements and disagreements with the CD; Gonzalo Martinez Corbala, a participant at the preliminary meetings of the Current, with which he later abruptly split, prompting Professor Ifigenia Martinez to call him "the senator with the split personality"; Vicente Fuentes Diaz, who is also from the Marxist Left and was one of the signers of the CD documents (he later broke with the movement, however), and Janitzio Mugica Rodriguez Cabo, who for years was linked to Cuauhtemoc Cardenas, his friend and protector. Of all these splits, Mugica Rodriguez Cabo's is clearly the most emotional, because it represents a break with an individual from whom he was presumed to be inseparable.

"Only the stones do not change," taught the philosophy of Enrique Ramirez y Ramirez.

A socialist in his leanings, Rodolfo Gonzalez Guevara, a leader of the socialist students of the West, has spent more than 40 years in the bowels of the system, at least 8 of which he has devoted to warning his fellow PRI members that an economic counterrevolution is pushing the country in a direction opposite to the one charted by the 1910 Revolution.

On 21 March 1979 Gonzalez Guevara cautioned that only the mobilization of the masses, under the leadership of PRI, would halt the counterrevolution that is seeking to destroy the physical groundwork of national, revolutionary and democratic development.

As far as we can tell, Gonzalez Guevara, a public supporter of Bartlett, is still speaking out against the counterrevolution (PROCESO 567).

Perhaps with some of their names in mind, a reporter for EL NORTE, a Monterrey newspaper, remarked to Salinas at the start of the campaign that some circles were concerned about the "socialist leanings" of the candidate, as he is "surrounded by prominent leftists."

Salinas de Gortari explained:

"I am a member of the Institutional Revolutionary Party, a party that has clearly set forth its ideology in its declaration of principles and its program of action. I have indicated that PRI is a party of the progressive Center and I am surrounded by distinguished PRI members who have proven in their deeds and their daily conduct that they adhere to the ideology and principles of PRI."

Other persevering individuals on the Modernization Commission, but in keeping with the hardest-line traditions, are Pedro Ojeda Paullada (who described PRI as an anticommunist party), Alfonso Martinez Dominguez, about whom Carreno Carlon said it all, Alfonso Corona del Rosal and Lauro Ortega.

An anecdote that is told about Ortega gives an indication of his devotion to renewal.

Lauro Ortega was the president of PRI when he charged Juan Maldonado Pereda with establishing a library for the offices of the party's National Executive Committee. It occurred to him that a political party's library ought to include the works of world philosophers, say Karl Marx, Lenin, Trotsky and Gramsci, so he included them in PRI's. But when Lauro Ortega saw them, his indignation and national revolutionary wrath are said to have caused those who heard him to tremble.

"You want to paint my party red! Marx is filth, Lenin is filth, all of them are filth! Here it's just Diaz Ordaz, bang, bang, bang!" he shouted, striking the back of his left hand with the palm of his right.

Another similar anecdote is that Rodolfo Echeverria Ruiz, who is also of course among the modernizers, once asked him about party policy so that he could prepare a speech. Ortega replied: "Policy? What policy? Look boy, it's very simple: 'The constitution, the peasants, Diaz Ordaz and bang, bang, bang.'"

Also among the modernizers are all the former presidents of PRI, except Porfirio Munoz Ledo. Manuel Sanchez Vite, in contrast, is not afraid to utter Lenin's name. In his most recent article ("Supreme Ideals," EL UNIVERSAL, 26 November 1987) he comments on perestroika and contemporary politics, offers criticism and makes suggestions.

He says:

"The negative track record of three regimes has become a millstone to the party and causes discredit that damages us. But we must face the consequences without blushing, because he who does not act makes no mistakes."

The Soviets, he says, "as part of perestroika range from the disavowal of their practices to an effort at modernization. We Mexicans ought to follow a similar path with different goals, from mirages and failures to righting our course."

They are the modernizers.

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#### **Text of Democratic Current's 9 September Proposal**

81482169a Mexico City LA JORNADA in Spanish  
23 Sep 87 pp 1-7

#### **Document of the Democratic Current**

[Text] In 9 September the Democratic Current of the Institutional Revolutionary Party presented a document entitled "Democratic Proposal" with a view towards incorporating it into the party's electoral platform. Among other things, the document contends that a political model based on the impoverishment of the masses, the predominance of speculative capital and national subordination to outside interests prevails in the country.

#### **Democratic Proposal for an Independent, Just, Free and Productive Nation**

Mexico today is living through one of the tensest and most crucial moments in its history, overwhelmed by external pressures and by the enormous burden of its debts, injustices and backwardness.

An ignored citizenry and a subjugated people who in spite of everything have maintained their fighting spirit are starting to rebel against a system that is sustained increasingly by manipulation and selling out.

Today, as 80 years ago, Mexicans are struggling to shatter the inertia of despotism and to open democratic spaces for the masses. Back then it was under the common banner of the 1857 Constitution, and in our



day and age by vindicating the 1917 Constitution, both of which have been supplanted by the overwhelming predominance of unwritten rules.

By the turn of the century, tolerated subjugation and obligatory silence had generated an apparently unshakable political regime whose power was based on both the brazenness of its leaders and the powerlessness of the exploited. "Science" had been exalted to the status of a *raison d'etat*; scorn for the people had been turned into a norm of governing, and the republican ideal had been abandoned for the sake of a modernizing agenda.

The gap between the facts and the official lies reflected the abyss between two different countries: on the one hand, the country of rural laborers and urban prostration, and on the other, the country of cosmopolitan glitter and surrender to overseas interests. Mexico's increasing dependency on foreign countries was being sustained by feudal domestic conditions.

In spite of the reforms that were undertaken and the profound changes that have occurred since then, the country has lapsed back into the colonial influence of its past. Today once again there prevails a political model based on the impoverishment of the masses, the predominance of speculative capital and national subordination to outside interests.

Mexico is immersed in an international crisis that is harming the developing countries and is vulnerable to the threats arising from its strategic position and immutable geographic proximity. These stern challenges have not been met with the patriotic resolve or the historic consistency that would have strengthened the defense of the collective patrimony.

At the outset of this decade we were still far from overcoming our age-old backwardness. In spite of obvious contradictions, mistakes and diversions, the country was moving forward and persevering in its struggle to be independent. Today, our constitutional agenda has been abandoned, and we are headed in the opposite direction of freedom, autonomy and justice.

During these years we have seen a financial crisis turn into a national disaster. The traumatic albeit limited problem that was besetting us has spread to every area of society, causing the collapse of the economy, politics, human coexistence and public morale.

The stubborn determination to serve an unpayable debt and technocratic short-sightedness have made the accumulation of foreign exchange a national priority. Everything else is regarded as residual or secondary, whether it be sovereignty, economic growth, hunger among the people or the dignity of our citizens.

A society that has been weakened to the point of anemia has been prescribed an unending drain of resources overseas, and a faltering economy has been forced to engage in open combat with implacable international competition. This is submission to financial ties at the cost of domestic genocide.

The order of national priorities has been radically reversed. Instead of an economy geared towards the development of our capabilities and resources for the benefit of the population, a speculative policy has been put in place, deepening inequalities, devaluing labor, paralyzing industry, shrinking domestic markets and scuttling the expectations of the younger generations.

The high cost of living has become a government program, as it pretends to combat inflation while systematically spurring it. High interest rates make money more expensive, cause prices to skyrocket, discourage production, restrict supply and deplete the capital of the public sector, which in turn charges more and more for goods and services, fueling an unending spiral.

During these 5 years we have failed to invest an amount equivalent to half of our foreign debt, thus allowing our infrastructure to deteriorate and prompting an unprecedented collapse in production, employment and the consumption of essential goods. A debt that is much graver than our foreign debt has been contracted: a social debt to the Mexican people, who have been deprived of the resources that are indispensable for their development.

The country has begun a clear-cut historical regression. The progressive concentration of income and the irrational debasement of the remuneration for human labor have resulted in a decline in productivity and in the quality of life of the Mexican people. Every day more of our fellow countrymen are without jobs and poor, and an even more alarming number have been condemned to poverty without a future.

Lower-income workers have lost half their buying power in just 5 years, while a small group of families have increased their financial wherewithal and possess a practically unlimited capacity to spend and accumulate wealth. To this degree have the objectives of the Revolution been distorted.

The total income of a poor family is not enough to provide a minimum diet. Malnutrition is the gravest of social maladies and has the most serious degenerative effects. The foodstuffs that are available to most Mexican children are barely enough to sustain their physical activities but are not enough for their intellectual development or for a healthy life.

We are witnessing an implacable biological degradation of man and nature. Urban overcrowding, the abandonment of the countryside, the depredation of natural resources and the contamination of the air, water and

soil are part of a vicious circle that has been stimulated by the severe worsening of the living conditions and civic consciousness of the Mexican people.

The more social rights are enshrined in codes, the less they are guaranteed in practice. This is verbal compensation for the deterioration of society, which is reaching grave extremes in the area of jobs, health care and housing. The unhealthy environment and the physical weakness of the masses are causing endemic diseases to reappear, are boosting infant mortality and are lowering defenses against adversity.

In spite of its ongoing expansion and the countless, almost always frustrated projects, the school system has begun a dangerous decline. More than a century after primary school was declared obligatory and free of charge by the Juarez Law, we are just now barely managing to meet demand. The lack of political will, the limited resources and the absence of incentives are lowering the quality of schooling at all levels and undermining the integrity and future of the nation at its foundations.

The huge gaps between classes and social strata are already causing an ethnic and cultural recomposition of the country that is leading it back to the colonial model of castes and segregation. The impoverishment of the masses and the limitations imposed on their development and democratic involvement prefigure the reestablishment of a regime that exploits labor under the guise of an export economy.

The country's agrarian structure has evolved towards a neolatifundismo [ownership of land in large estates] that is harassing and weakening the ejido, fostering corruption, concentrating ownership and lowering productivity in the countryside. The forms of social organization promoted by the Revolution's support for grievances have been attacked or forgotten to further interests that run counter to the progress of the masses.

The meager representativity of the trade union associations has often turned them into appendages of the government or tools for satisfying personal interests. Many unions have been losing their identity as resistance organizations because of the coopting of their leaders and the abolition of internal democracy, all of which encourages the violation of labor laws and fosters severe imbalances among the factors of production.

A structural change is truly taking place. The objectives of economic and social integration have been replaced by the objectives of growing impoverishment and the multiplication of transnational enclaves. The egalitarian and productive country that we sought as a path towards genuine modernity is being shattered today by the auctioning off of labor and natural resources.

Incentives for economic activity are being sought beyond our borders today, and the historic determination to safeguard the common patrimony for the benefit of Mexicans has been lost. While the country loses capital and the dollar economy spreads, trust vanishes owing to the loss of a social consensus and the breakup of the alliances that sustained our project for independent development.

The ongoing devaluation of our currency lowers the value of our natural resources and of individual economies. The more we depend on imported goods and outside patterns of consumption, the greater the effort required to live at lower and lower levels of well-being. The collapse of the peso is already turning into the devaluation of the country and of daily life.

We are being turned into a tributary society. The exploitation of labor and the deterioration of the younger generations are serving to accumulate resources to be transferred overseas, while we lose self-sufficiency in foodstuffs and the ability to meet the elementary needs of the population. Technological dependency is on the rise, and the creativity of Mexicans is forced into underground economies while more and more people emigrate in search of a livelihood.

Our financial subordination to the north and the demands posed by the process of integration into the north that we have been railroaded into, are inhibiting the full exercise of our sovereign will. Thus, the tough tradition of our foreign policy has been drifting astray towards an uncertain, discursive diplomacy that at times defends inviolable principles and at times compromises them.

By establishing a neocolonial model in the country, we are obviously entering into complicity with the strategies of hegemonism and losing numerous battles on the autonomy front without even waging them. When solidarity with the people and with their struggles is absent, the concept of the national interest is destroyed.

The creative dimension of politics has been lost in recent years, and arbitrariness and opportunism have taken its place. Some have forgotten that the strength of authority lies in its moral capacity to rally the people and in its aptitude for mobilizing social energies around goals and objectives that are freely agreed upon with the people.

The crisis goes beyond the institutions that the Mexican people have built with incalculable effort. As the public sector withdraws and shrinks without rime or reason, by virtue of overseas agreements, the State attacks its own revolutionary legitimacy, reduces its capacity for action and endangers its autonomy.

Administrative centralism is throttling individual initiative, thwarting economic pluralism and fostering the top-heaviness that it claims to be combating. The struggle for democracy and respect for the vote has thus become in many areas a defense of an abridged federalism, besides a demand for personal dignity and local identity.

In spite of the legal reforms undertaken, the confidence of the citizenry in the electoral process is waning steadily. Abstentionism is on the rise, while grassroots support for institutions declines accordingly. The subordination of the Legislative and Judicial branches to the Executive Branch perverts the constitutional order and gives rise to constant wrongs and failures to meet responsibilities.

The party system is still fragile, and the opposition is confined by rule to the legislature, where its decision-making ability is almost nonexistent. The Party of the Revolution, which arose with a commitment to head up grassroots causes and to promote the country's democratic evolution, has become a stronghold of growing authoritarianism and serves more as a tool for regimenting and controlling the rank and file than as a spokesman for their demands and aspirations.

Bureaucratic centralization and the absence of genuine political checks and balances foster the most capricious enforcement of the law. Principles are buried away for the sake of pragmatism, and consistency vanishes with the vicissitudes of 6-year terms, while the personal styles of government officials define national programs, as some consent self-interestedly and others acquiesce.

The exercise of power as a personal prerogative supplants the spirit of service and tends to make every act of authority a potential source of improper enrichment. In spite of our people's honesty, political deviations and bureaucratic tangles have been perpetuated; they are the source of corruption and make favoritism, opportunism and impunity the cause and effect of inefficiency.

The country is not dissolving between our hands because it is sustained by the imagination, perseverance and hard work of the Mexican people. What is vanishing is the citizenry's belief in the prevailing methods, in the capacity of the leadership and in the ability of the programs under way to resolve national problems and to preserve our independence.

A State that is increasingly devoid of people could lead us to a Nation without a State and, ultimately, to the loss of the Nation. This is the objective on which the dominant outside interests are bent and with which their domestic allies have associated themselves. These are the deserted spaces that we Mexicans are obliged to recover.

The policy of abuse and inequity that now prevails is subversive, because it is edging us towards violence. In contrast, we must look to democratic involvement,

human solidarity and economic concert as the path towards a new and lasting domestic stability on which the country's security can rest.

The times demand that we fully restore the value of civic struggle as the invincible tool for social change. We have come across many fellow countrymen who are firmly determined to wage a historic battle for the country's political and economic democratization, for the recovery of its sovereignty and for the rebuilding of a national model that will benefit all in justice.

All over the republic we have heard the people's indignation, demands and hopes and encouraged a discussion of ideas and experiences, an analysis of the facts and a reconciling of goals. With them we have drawn up an integrated series of fundamental proposals that we are submitting for public debate and for the consideration of our colleagues and of all citizens who are willing to commit themselves with us to political action.

### **I. The Democratic State and Citizen Power**

The republican system of government set forth in the constitution is based on the participation of the citizenry, popular representation, the division of powers, the sovereignty of the states and the free municipality. Institutions are balanced and rights are granted to guarantee the country's unity and the democratic exercise of power by preventing its undue concentration.

The Mexican State is the fruit of a long evolution. It draws its inspiration from the struggles for independence, the defense of our integrity and the victories of the philosophy and the weapons of the liberals who established the autonomy of the civilian authority and enshrined the rights of man. It is the consequence of a sweeping revolution that granted the government the supreme mission of watching out for the well-being of the masses and exercising sovereignty over national resources and decision-making.

The State has a duty to insure the enjoyment of civil rights and to prevent any social class from oppressing the others or placing its interests before those of the country. It is endowed with the judicial instruments it needs to achieve these ends and with an ideological program set forth in the constitution. To stray from this legal system and from the purposes for which it was instituted would be to betray its origin and to jeopardize its historic legitimacy.

The country's political development has lagged behind its material progress and the social changes that have taken place. Mexico has made the transition from dictatorship to bossism and from the latter to a system of institutions, which have now strayed from the revolutionary ideal and are less and less representative of the citizenry. To salvage our constitutional model we must today install a fully democratic way of life.



Mexican society has changed substantially in a few decades. From an age-old rural structure emerged an urban society and culture, in which the main actor is the citizen, who is filled with aspirations and potential, who resists co-optation and facelessness and increasingly demands the true enforcement of democratic principles.

The dichotomy of society is intensifying, however. On the one hand, we have the sectors that have joined the modernization process, aware of its gains and setbacks and in search of forms of political expression that are consistent with their level of development. On the other, we have vast groups that have been excluded and demobilized, are dependent on random measures and are subjected to abuses by the vestiges of bossism and insensitive bureaucracies.

Both are faced with severe restrictions on the exercise of their rights owing to the manipulation and steadily increasing predominance of the top leadership echelons over the will of the people. A misunderstood system of institutions and the predominance of custom over law have subordinated content to form, fostering corporative systems that concentrate power and wealth in a pyramidal structure. Some have forgotten that the legitimacy of the State rests on the strength of society and on adherence to principles.

We Mexicans aspire today to a genuine democracy that will salvage the momentum of civilian society in defining, implementing and overseeing government actions; that will restore the State's authority and the necessary balance among the powers and levels that make it up; that will express the country's plurality and lessen inequalities, and that will be a source of national pride and citizen dignity.

The country's security and the security of its inhabitants would be heightened by a democratization of the State and society. The spaces improperly occupied by economic domineering, political abuse and foreign meddling would be returned to the people and their organizations for their use. The decentralization of government would bring back individual and collective self-determination.

Democratization is also a cultural phenomenon. It demands a new concept of authority and an overhaul of social relations, starting with the family and school, maturity in language and in civic conduct, tolerance and respect for the rights of others, authenticity of leadership and the transfer of responsibilities to individuals, communities and production centers. This is the only possible path towards modernity and an unavoidable requirement for development.

In this regard we propose:

#### 1. To Guarantee Effective Suffrage

To undertake the legal modifications that are needed to assure the full effectiveness of suffrage on the federal and state levels. To establish electoral bodies possessing the autonomy and authority they need to insure respect for the rights of all competitors, the openness and fairness of the elections, and the enforcement, when necessary, of the

penalties that befit the violations. To encourage democratic practices and respect for the vote at all levels and in all organizations, and to foster through education the habit of unfettered participation and political representation.

#### 2. To Defend Civil Rights

To promote the full exercise of individual and social guarantees by offering specific guarantees for the exercise of the freedoms of association, opinion and expression. To abolish all forms of repression of citizen activity, to abolish torture and inhuman treatment and to account clearly for missing persons. To enforce the "recurso de amparo" [constitutional provision peculiar to Mexico, resembling habeas corpus] for all Mexicans who require it and to establish free legal counsel for this purpose. To promote in every sphere the supremacy of laws over the unwritten rules that contravene them.

#### 3. To Strengthen the Parties

To assure enforcement of constitutional provisions as regards political parties. To foster their creation and development through the reestablishment of the conditional registration and equitable access to the mass media and to public funding. To establish laws that will assure the autonomy of parties vis-a-vis the government, the voluntary affiliation of their members and the exercise of internal democracy. To facilitate the formation of political parties at the state and regional levels.

#### 4. To Democratize the Mass Media

To guarantee the promotion of the nationalist and democratic principles set forth in the constitution for the use of radio and television franchises. To ban the monopolistic concentration of the mass media, to decentralize their services, to heighten the State's responsibility in sustaining them and to assure the participation of political parties, educational institutions and the scientific, artistic and intellectual communities in running them. To enforce the right to information and to foster the independence of the press vis-a-vis the government and financial power centers.

#### 5. To Balance the Powers

To enforce the division of powers by strengthening the independence and full operation of each. To expand proportionality in the makeup of the Chamber of Deputies and to institute it in the Senate, while affording the representatives of the people the technical and political tools they need to properly fulfill their responsibilities. To restore to the state legislators and to the Congress of the Union the power to appoint the justices of the Supreme Court, in keeping with the original principle of the 1917 Constitution.

#### 6. To Seek Justice

To undertake a sweeping reform of existing legislation and of the judicial branches of the Federal Government and of the states, in order to guarantee respect for civil rights and to eliminate high-handedness. To unify, codify and simplify laws so as to make them more consistent and understandable and to prevent discretionary enforcement. To dignify the court system by eradicating corrupt practices and making its procedures and decisions prompt, impartial and timely.

#### 7. To Renew Federalism

To respect the constitutional sphere reserved for the states and to revise the system of apportioning jurisdictions to strengthen federalism. To revise Sections V and VI of Article 76 of the constitution and to ban any improper interference in the internal politics of the states. To decentralize the administration of services and to foster the equitable development of the states by providing balanced access to income sources and a balanced distribution of federal funds under National Tax Conventions. To guarantee the full autonomy and democratization of municipalities by insuring respect for their decisions and by promoting community government, pluralistic representation on city councils and the direct involvement of the people.

#### 8. To Make the Federal District a Municipality

To reestablish the Federal District as a municipality and to restore full citizenship for its residents, in keeping with the original intent of the constitution. To hold a national plebiscite on transferring the branches of the Federal Government to a suitable site and, accordingly, on reconvertng the Federal District into a state. To introduce the referendum into our constitution as a method of consulting the citizenry on fundamental issues, without impairing the jurisdictions of the legislative branch.

#### 9. To Establish a Civil Service

To attack the problems of public administration at their root and to establish a career civil service that is independent of changes in government and based on merit, honesty and efficiency. To create a government body in charge of administrative reform, the improvement and coordination of systems and the education and training of employees and officials. To revise and strengthen the diplomatic service and to offer the army and navy the necessary support in an effort to involve them as much as possible in meeting the country's social needs.

#### 10. To Banish Corruption

To promote the political balances and the judicial and administrative regulations that will combat the causes of corruption. To encourage civic action in denouncing the

failures of officials and to strictly enforce the constitution and the law in this regard, including impeachment, as well as the provisions designed to prevent abuses stemming from economic and social status. To abolish the Secretariat of the Comptrollership of the Federation and, in its stead, to strengthen the Official Auditing Department, which is a branch of the Chamber of Deputies, and the supervisory powers of the Legislature over the administration's acts.

#### 11. To Respect the Rights of Minorities

To strive through consistent legal measures and actions to see to it that the internal workings of all organizations are governed by democratic procedures and that pluralism and the rights of minorities are invariably respected. To eliminate bossism, high-handed leadership, false unanimity and any other form of political coercion and disenfranchisement. In particular, to encourage the democratization and representativeness of the unions, the ejidos and the cooperatives, and to assert the voluntary nature of the right to join corporative and trade union associations.

#### 12. To Recognize and Promote Autonomies

To assure the utmost respect for the autonomous organization of ethnic groups and to make their forms of government compatible with the republic's legal system. To defend their equal rights and their political representation vis-a-vis other segments of the population. To foster in all communities and economic units the practice of self-management and the responsible participation of their members in decision-making, especially of workers in companies.

### II. Rescuing the Nation

The history of Mexico is a heroic struggle by successive generations to decolonize the country completely. Decolonization is the ultimate reason for the national State and the primary mandate of our government officials, the objective that justifies the political society and the essential purpose towards which our efforts at development must aim.

Independence is to nations what freedom is to men. Without them there can be no decent existence or genuine personal or collective accomplishment. The self-determination of the country and of its inhabitants mutually condition and enrich each other. The more equity there is among better nations, the more chance there will be of justice among individuals.

National sovereignty resides in the people and exists for their benefit. The people retain the power to alter the form of their government at any time and, therefore, to decide in full freedom the model of society to which they aspire, the norms that will govern it and the means to achieve it.

In the international arena, we have enshrined and defended the right of nations to self-determination, judicial equality among States and the ban on interfering in their internal affairs. We have also gained the power to make use of our own resources and to determine without restrictions the structure and course of our economy.

Mexican nationalism is an integrated body of experiences, laws and doctrines that admit no arbitrary interpretations. Modernity is not a precondition for differed independence. Preservation of our freedoms demands the consistent exercise of sovereign rights in all political actions or economic programs. The will to be determines the way of being.

Political autonomy rests on economic independence and democratic participation. The development of creative powers and of domestic production forces, as well as social cohesiveness enhanced by a just distribution of the fruits of progress, are the lasting foundation of sovereignty.

Any measure that limits the people's ability to freely determine their future is an attack on sovereignty. Any decision that impairs the dignity of Mexicans vis-a-vis other countries, that jeopardizes our fundamental rights, that weakens our national identity or that gives away our national resources violates the constitutional pact.

The antinational trends that the oligarchies have set in motion must urgently be reversed. Through a consistent agenda with a democratic, grassroots inspiration we must regain full control over our political, economic, social and cultural processes and thus firmly spur the country's integration and autonomy.

Foreign and domestic policy must be inseparable parts of a single whole. They both demand a strong civic consensus and an effective coordination of programs and instruments to lessen vulnerability and guarantee the nation's development and security.

In defending just causes, we are vindicating history and safeguarding our future. The solidarity that we promote among peoples will lay the moral groundwork for a more harmonious coexistence among Mexicans, and the system of freedoms that we strengthen at home will bolster our authority to struggle for the democratization of the international community.

In this regard we propose:

### 13. To Halt the Financial Drain

To confront the foreign debt issue on political terms, in accordance with our sovereign decisions and with the support of international solidarity. To suspend debt servicing until a fair reduction is achieved, in line with the national interest, the joint responsibility of creditors and the real value of the debt in the marketplace. In any

event, to set a ceiling for our payments and to call for a substantial reduction in interest rates so that we can free up the resources needed for development.

14. To enforce the provisions of the constitution relating to international loans and to initiate the necessary legislative reforms so that the Congress of the Union can establish the conditions for contracting debts, approve them in each instance, order them paid and demand the corresponding accountability. To ban open-ended letters of intent that directly or indirectly compromise the country's sovereignty. To promote the appropriate legal modifications to regulate the sale of natural resources to foreigners, to substantially reduce the sale of fossil fuels and other strategic items and to prohibit such sales when they are deemed contrary to the national interest.

### 15. To Stem Foreign Penetration

To rigorously enforce the Foreign Investment Law to prevent indiscriminate authorization and to protect the national interest in all cases; for that same purpose, to review the provisions on patents, trademarks and technology transfers. To halt the sale of assets of Mexican companies in exchange for international financial liabilities and to promote the recovery of economic spaces by domestic producers. To repeal any provisions that allow foreigners to acquire border and coastal lands. To withdraw all security agents from the country and to demand full reciprocity under international accords to combat drug trafficking.

### 16. To Strengthen Our Identity

To give the highest priority to strengthening our national identity under the terms of Article 3 of the constitution. To promote through creativity and innovation the development of our capabilities and the defense of our values and ethnic, popular and regional traditions by replacing slavish imitation with fruitful exchanges with other cultures. To reorient the school system, the promotion of culture and the mass media in accordance with these goals.

### 17. To Reassess Relations With the United States

To firmly maintain the validity of international law, principles and resolutions in our dealings with the United States in order to counter asymmetry and the trends towards domination. To assert our own positions and interests in the regional sphere and on a world level, and to base negotiations over the problems stemming from our status as neighbors on equity and mutual respect. To coordinate the varied aspects of our relationship and the various sectors involved in it as part of a unified domestic policy, and to expand the dialogue and Mexico's presence in all spheres of American society.



18. To Protect Mexicans Overseas

To fully assume the State's responsibility in protecting the human, labor and cultural rights of Mexicans overseas, by promoting respect for international, bilateral and multilateral treaties and accords. In addition, to promote bonds of solidarity and cooperation between our fellow countrymen and the descendants of Mexicans, whatever their nationality, as well as closer ties and understanding between all communities of Mexican origin.

19. To Defend Self-determination in Central America

To resolutely demand nonintervention in the internal affairs of all States and to make common cause without hesitation with the peoples under attack. To support Nicaragua's right to self-determination with specific actions, and to demand the withdrawal of foreign forces from the Central American isthmus, as well as a show of international cooperation so that all countries in the region can exercise their sovereignties peacefully and democratically.

20. To Promote the Latin American Community

To promote the establishment of the Latin American Community, endowed with its own executive and legislative bodies, as well as multilateral cooperation, governmental and nongovernmental institutions, as a way of harmonizing sovereignties, strengthening political unity and fostering the economic, social and cultural integration of the region. To give priority to our relations with the countries of the Caribbean and to restore to Indo-Latins the privileged citizenship that the 1917 constitutional congress granted them.

21. To Join the Nonaligned Movement

To make Mexico a full-fledged member of the Movement of Nonaligned Countries. To join the Organization of Petroleum-Exporting Countries, and to participate actively in all forums or international associations that seek to coordinate efforts or to defend interests similar to or compatible with ours, without any detriment to our sovereignty and as a method of combating hegemonism, of increasing our bargaining power and of promoting cooperation among States.

22. To Diversify Our Relations

To systematically expand and strengthen our political, economic and cultural links with various countries and regions, thus taking advantage of the opportunities that international competition and the dynamic of changes on the world scene offer. To establish a priority program of cooperation with the developing countries that is endowed with effective tools and that entails a commitment by the State and by social and productive agents.

23. To Spur Economic Negotiations

To demand the enforcement of multilateral commitments in the sphere of cooperation and a new economic order. To propose the creation of a negotiating body of the developing countries at the highest level that can reactivate the North-South dialogue and promote the consensus needed to reform the international financial and monetary system, resolve the foreign debt problem once and for all and assure the expansion of the world economy with a view towards interdependence and mutual benefits.

24. To Regain the International Vanguard

To reclaim the vanguard position that characterized Mexico on the regional and world levels, so as to bolster our independence and contribute effectively to the achievement of peace and solidarity among peoples. To categorically reject the pressures placed on us to change our attitude and our vote in international forums, and to strengthen our involvement in the search for solutions to the issues of disarmament, wars, threats to collective security, decolonization, growing foreign interference, human rights and injustice in international relations.

III. Preservation of Our Patrimony

The nation's inalienable control over its lands, waters and natural resources is one of the constitution's principal points. Another is the goal of conserving them, seeking the equitable distribution of public wealth, achieving the country's balanced development and improving the population's living conditions.

These principles were established to prevent the irrational exploitation of man and nature from prolonging the colonial model. They are democratic accomplishments in opposition to the unrestricted appropriation of land, the abuse of our resources by foreigners, the inordinate accumulation of wealth and the unacceptable degradation of human labor.

The prevailing trends are running radically counter to this agenda. The steady selling off of the country to outside objectives and styles, the excessive centralization of decision-making, the coexistence of waste and poverty, the predominance of greed over collective need, and the extremes of ignorance and inequality are squandering the patrimony that our children will inherit.

Sections of the earth's crust are being sold to foreigners so that they can obtain foreign exchange with which to continue their depredation. Meanwhile, out of a need to survive we devour biological spaces and contaminate the environment, which in turn contaminates us.

Man is an integral part of nature. By modifying it, we modify ourselves, and by destroying or impoverishing it, we also destroy or impoverish our future. It is the duty of

each generation to preserve and renew the natural foundations of life. The health of society and its environment must be fundamental goals of political action.

The national community's historic interest must prevail over individual interests, as the constitution mandates. Development must be reoriented in accordance with qualitative criteria, and changes of outlook and behavior must be induced to prevent the excesses of industrial development, to eliminate violence against nature and to restore respect for all forms of life.

The preservation of the environment must not be interpreted as the search for lost paradises, much less as an end to material progress. On the contrary, it implies a higher level of rationality and man's greater mastery of himself and his tools. It is a cultivation of foresight that makes the future today's major concern and forces us to rethink our decisions as a function of their future consequences.

Protection of the biological and physical environment entails a new sense of responsibility for owners and producers and modes of social organization that entrust decisions to the regional and local communities and promote self-management at all levels. At the same time, it demands a policy to decentralize power and wealth and a concept of growth that accords priority to endogenous resources and protects natural cycles.

The point is to replace an extractive economy with an authentically productive economy and to turn development programs into projects for life by adapting technology to human needs, not vice versa. It is also a question of eliminating consumerism and any other form of economic imposition, so as to undertake a democratic dialogue on the basic options of society.

It is indispensable for us to once again strike a balance between city and countryside, to make human settlements decent, to salvage rural life, to preserve the roots, the lore and the identities of Mexicans and with them the country's heterogeneity, the right of all groups to self-determination and the right of citizens to guide development.

In this regard we propose:

#### 25. To Eradicate Poverty

To urgently eradicate the extreme manifestations of poverty through coordinated public health, social welfare, intensive training, job creation, community work and national workshop programs. To promote activities of broad cooperation to consistently combat various forms of human degradation, antisocial behavior, alcoholism and drug addiction.

#### 26. To Guarantee Health

To promote the health and improve the living conditions of all inhabitants as a constitutional guarantee. To take decisive action to improve nutrition, protect mothers and infants, clean up the environment, provide access to basic needs and prevent disease. To promote the use of traditional medicinal lore and resources, as well as the State's involvement in the development, production and supply of basic medicines.

#### 27. To Insure Decent Housing

To guarantee to all families the means and supports they need to build, expand or rebuild their homes, through equitable access to urban land, more affordable loans, the integration and decentralization of existing services, and effective technical assistance and by encouraging the initiative of beneficiaries. The Federal Government, the states and the municipalities must on a priority basis provide the physical and service infrastructure that is needed for these purposes and prevent any form of land and housing-material speculation. They must also provide due protection to tenants.

#### 28. To Regulate Demographic Phenomena

To furnish the means and supports provided for in the law so as to insure the full exercise of parents' right to freely and responsibly determine the size of their families. To heighten the public's awareness of demographic problems and to expand the community's involvement in resolving them. To promote consistent programs to reduce uncontrolled migrations, to encourage people to establish roots and to prevent excessive population concentrations.

#### 29. To Decentralize National Life

To take up decentralization as a social and cultural reform aimed at giving back to all communities their autonomy and capacity for endogenous development, to decentralize power and wealth, to raise the status of the provinces and to rebuild our independence from its roots. To orient national planning, the provision of infrastructure, the allocation of resources and basic political decision-making with this criterion in mind. To systematically transfer services and activities to the interior of the country, and to promote the balanced distribution of the population over our land.

#### 30. To Democratize Urban Development

To establish effective planning and urban development systems through democratic participation and self-management that will promote cooperation and guarantee the civic interest. To specify and enforce land use regulations, to regulate expansion and determine indispensable reserves, to combat all forms of contamination,

to expand green areas, to promote urban culture and a community spirit, to socialize transportation and to make services as streamlined and efficient as possible.

### 31. To Rationalize the Utilization of Resources

To enact appropriate measures to strictly enforce Article 27 of the constitution, so that the soil, subsoil, forests, tropical jungles, seas, domestic waters and other natural resources are utilized in accordance with rational criteria geared towards the preservation and regeneration of the environment, the safeguarding of our sovereignty, the expansion of our patrimony and the fulfillment of grass-roots needs. To resolutely promote a culture of respect for nature, as well as scientific and technological research for these purposes.

### 32. To Reclaim Nature

To reorder land development so as to prevent the excessive expansion of urban areas, to restore the countryside and to make new spaces available for human life. To reorient growth so as to give nature priority over industry, to establish the borders between farms, ranches and logging activities, to protect and promote wild fauna and flora, to combat erosion and desertification. To develop the coasts harmoniously and to promote the proper development of maritime resources.

### 33. To Complete the Agrarian Reform

To put an end to large landed estates and to any direct or indirect form of concentrating the land or the products therefrom, and to incorporate idle or improperly accumulated lands into the agrarian distribution. To prevent the manipulation of the agrarian 'amparo' and of livestock and logging concessions, to return to Indian communities the lands that belong to them, and to grant full legal security to ejidatarios, commune members and true small landowners. To rebuild the ejido economy and democracy by stamping out corruption and middleman operations, and to promote cooperation among all growers.

### 34. To Plan the Energy Transition

To assure energy self-sufficiency and the conservation of our resources in the long term through the rational use of available sources and the phased-in replacement of traditional, nonrenewable sources with new, renewable ones. To gradually cut the use of fossil fuels and to reorient them towards petrochemicals. To promote scientific and technological innovation and to provide the needed incentives for developing nonpolluting fuels, the decentralization of their production and supply and the democratization of their use.

### 35. To Review Nuclear Policy

To analyze objectively whether nuclear power should be included in the National Energy Plan, bearing in mind our natural potential, the foreseeable evolution of knowledge and the informed will of the people. If the answer is yes, to clearly spell out the economic goals, the political options, the technical procedures and the systems for democratic consultation. To suspend the start-up of the Laguna Verde plant until such decisions are made and a satisfactory public assessment of the project is conducted.

### 36. To Regenerate the Environment

To undertake an all-out battle against contamination and for the reconstruction of the physical environment. To issue the legislation and to implement the economic and technical reconversions that are required to gear the basic diet to the preservation of ecosystems, to promote genetic diversity, to restore nature's vitality and production capacity, to assure the recycling of urban and industrial wastes, to ban any economic or social activity that is a threat to the environment, and to encourage the efforts of individuals and communities to improve their environment.

## IV. Society and Solidarity

The way of life based on the constant economic, social and cultural betterment of the people that the constitution defines as a national objective does not depend solely on the judicial structure or the political system that we have built for ourselves. It entails the full democratic participation of the citizenry and the establishment of a culture of solidarity among Mexicans.

The commitment to guarantee justice and freedom for all is the very core of the constitutional pact. The enjoyment of a decent life is not just an individual aspiration; it is a collective responsibility and an obligatory end of political action. Ours is a social State conceived to extend well-being, correct imbalances between groups and regions and assure the greatest possible equality of opportunity.

The neoliberal doctrines and practices in vogue today run counter to the philosophy of our revolutionary movement. So do political conservatism in the exercise of power and government's growing abandonment of its obligations to the masses. Fostering inequality instead of combating it and deepening social differences as a government policy are tantamount to repealing the existing constitutional order.

It is urgent to apportion our development and restore solidarity to our institutions. We must take up the destiny of our fellow countrymen as if it were our own and share the responsibilities and burdens of an egalitarian policy. The freedom of others is a limit to and a



condition for the exercise of our own freedom, and to the degree that the community frees itself of servitude and fear, the guarantee that freedom can be exercised grows stronger.

Society has a duty to combat the extremes of privilege and disadvantage that endanger its cohesiveness and survival. The unrestricted accumulation of wealth, the use of power without checks or balances, the arbitrary appropriation of the fruits of others' labor and a system of superiority because of origin contravene our democratic principles. The exploitation and humiliating social exclusion of which millions of Mexicans are victims are also an affront to them.

Development is not an increase in goods; it is the evolution of men. The genuine modernization of a country lies in improving the capabilities and living conditions of its inhabitants. Material advances do not represent real progress as long as they are not enjoyed in justice or do not help to improve human coexistence.

Recognizing the primacy of man over things means according labor a central role in the economy and in social organization. Respect for human beings is expressed by providing incentives for their efforts and by regarding their accomplishments as an engine of history and a legitimate source of the requirements for a decent, fruitful existence.

The transformation of social relations and the struggle against injustice and inequality demand a moral attitude from the community, as well as a consistent policy that revolves around jobs and education. Both must be closely tied to the overriding goal of heightening the individual's abilities to realize himself fully and to contribute to the well-being of society.

Mexico is a heterogeneous country whose ethnic groups, cultures and traditions sustain its spiritual richness and its creative potential. We need not destroy our identity to progress; rather, we must encourage the expression of each group and the talents of each individual and incorporate them into the common task. Respect for uniqueness is a condition for freedom and a requirement for true justice.

In line with the order of national priorities that we are advocating, social needs must be placed at the top of our daily agenda. Equality will be the fruit of many specific and ongoing battles, often against our own weaknesses and throwbacks. It demands genuine cultural change and a major commitment to the younger generations.

In this regard we propose:

#### 37. To Combat Disadvantagedness

To attack the symptoms and causes of urban and rural disadvantagedness as a central aim of development programs. To determine the minimum levels of nutrition, health, schooling, housing and wages that are

consistent with the dignity of the individual and indispensable for family life, so that they can be guaranteed to all Mexicans under an explicit social pact that mobilizes the nation's energies around goals that must be met.

#### 38. To Improve Nutrition

Based on the country's self-sufficiency in food, organize a comprehensive nutrition policy that will make sure that the popular diet is substantially improved. The State must promote cooperation among producers and communication and marketing systems and intervene directly when necessary to modify consumption habits, improve the quality of supply and guarantee access to the basic basket of foodstuffs at prices that the lowest income-earners can afford.

#### 39. To Protect Children

To assure comprehensive protection for children, based on social solidarity and the coordination of public institutions at all levels. To reestablish school breakfasts in the public education system. To make good the right to day-care centers for the children of working mothers, to extend it to other groups through community support, and to set up mother-child care programs for the entire population.

#### 40. To Guarantee Basic Education

To make basic education up to the 10th grade compulsory again by constitutional mandate, and to provide whatever means are required to make sure that all Mexican children attend school at least until age 16, both in urban and in rural areas. To assure young people and adults the services they need to complete this level of education with the support of social organizations, work centers and civic collaboration. To foster the democratic progression of students through the school system by means of pedagogical tools and support services, independent of their families' level of income.

#### 41. To Reform the Educational System

To undertake a sweeping reform of the content, methods and organization of the educational system. To banish bureaucracy and to complete the decentralization of services by promoting the responsibility of the communities in running them, as well as the school's ties with the family and the economic and social environment. To encourage pedagogical innovation, a higher status for teachers and assessment of their performance to assure ongoing improvement in the quality of teaching and the promotion of a humanistic and productive national culture.

#### 42. To Improve and Democratize Higher Education

To address the problems in higher, university and technical education in accordance with the requirements of our democratic progress. To assure public institutions

the resources they need to achieve their goals and to heighten their responsibility to the country. To promote the full exercise of their autonomy by encouraging academic freedom, critical thinking and participation, and to bolster their contributions to national and regional development by guiding and improving research and teaching and by giving them a larger role in defining national values and choices.

#### 43. To Support Youth

To meet the needs of young people as a separate and majority segment of the population. To promote the full exercise of their political and labor rights by encouraging their autonomous organization and their involvement in decision-making. To coordinate public and community action that will further their education, training, access to jobs, and participation in sports and recreational activities. To transform the military service into a social service that will promote solidarity and patriotism in young people.

#### 44. To Spur the Advancement of Women

To consistently promote measures that will assure full equality of men and women and that will free women from backwardness and discrimination. To foster the advancement of women in the educational system, job opportunities, creative functions, political responsibilities and leadership positions. To lighten the burden of working women, to further the democratization of family relations and to guarantee the right to responsible motherhood.

#### 45. To Dignify Labor

To promote the technological innovations and labor accords that will dignify labor as a source of personal accomplishment and social progress. To humanize working conditions, to ban degrading jobs, to assure training for promotions and change, and to foster the fruitful utilization of free time. To offer retired persons new opportunities to be productive and to cooperate that will take advantage of their experience and promote solidarity between generations.

#### 46. To Universalize Social Security

To extend social security to all residents of the country over a period not to exceed 10 years by integrating the current services and establishing a national health care system that is financed equitably by the employer and government. To expand medical care for peasants, with the support of community cooperation. To guarantee effective coverage against job-related risks, including an adequate pension that is never lower than the minimum wage, as well as unemployment insurance.

#### 47. To Stimulate Creativity

To stimulate all forms of artistic and cultural creativity and the democratization of their enjoyment. To encourage creative aptitudes among children and youth and to commit the school system, the mass media and economic and social institutions to the promotion of a participatory culture that fosters the habit of reading and discussion, esthetic activities and the exchange of creations and knowledge to help us strengthen our identity and develop our talents to the fullest.

#### 48. To Promote Pluralism

To acknowledge constitutionally the multiethnic and multicultural nature of our nation, to reorient educational programs and development policies accordingly. To base the country's genuine integration and its defense against foreign penetration on our social diversity and historic heterogeneity. To encourage respect for the rights, ways of life and values of Indian communities and to promote the teaching and dissemination of all the languages and traditions that make up our culture.

### V. Resuming Development

From its beginning as a nation Mexico has sought to free itself from foreign domination and to lessen social inequalities. External and internal colonialism support and condition each other. The more our economy is tied to outside interests, the more concentrated wealth is and the less Mexicans are involved in building the country and the less they enjoy well-being.

The State that designed the constitution of 1917 has as its primary mandate to assure the country's sovereignty and physical, economic and moral integrity by pursuing a decidedly nationalistic and distributive policy that spurs the development of our productive forces, corrects internal disparities and imbalances and meets the fundamental needs of the population in freedom, shared responsibility and justice.

Recent constitutional reforms have specified the State's guiding role in the national economy and its powers to plan, manage and orient it. To this end, it can and must regulate and promote all activities that benefit the population with the consensus of the private and social sectors: by combating monopolies, hoarding and abuse, assuring the development of strategic areas on an exclusive basis, intervening in areas regarded as priorities, and adapting ownership to the modes that the public interest dictates.

The country has made its way from improvidence and waste to recession, abandoning the patriotic and balanced agenda for development that the Mexican people demand. Our economic vulnerability has increased, and

our production capacity has been harmed by the unsound handling of the public debt and by the adoption of a neocolonial agenda that is designed to incorporate us into the U.S. economy.

Escalating inflation, the privilege of speculation and the deliberate attempt to sacrifice the jobs, wages and income of the masses have further enriched the owners, heightened poverty to an extreme and scuttled the higher expectations of the middle class. Relations between the social groups have thus broken down, and the trust of producers, workers and the citizenry in the words and actions of leaders has been profoundly damaged.

The modernization that the country demands must not be a pretext for a denationalizing agenda that consolidates inequality. Modernization is achieved through a dynamic balance among the various sectors that make up the community, not by the mechanical adoption of outside models and know-how. It is achieved through the consistent and simultaneous enhancement of our capabilities in all spheres, activities and regions, particularly in those that have failed to tap their potential because of backwardness and exploitation.

Mexico needs to redefine and regulate its role in the world economy and to reorder its domestic priorities so as to regain its autonomy and reverse the conditions of development for the benefit of the masses. We need to restore our capacity for investment and growth and impart a qualitative direction to them that will accord priority to meeting the population's basic needs, to a overall increase in efficiency, to an equitable distribution of output and to the country's economic and social integration.

A democratic society entails and fosters a democratic economy. The patriotic, united and participatory system of relations that ought to govern political life should also govern economic activity. The State oversees the economy because it represents the country's historical interest and must safeguard its independence and balance, but it is also obliged to encourage the initiative of all, to decentralize decision-making and to promote a new national understanding on the objectives that Mexicans share.

The confidence that we must foster is based on the certainty of our viability as a nation, not on the short-lived assurance of inordinate profits for the privileged few. Our commitment is to the future of our children, not to the future of the privileged few. This is the pact that the country demands; it is the only realistic and desirable agenda for development. The current one is untenable and, therefore, unrealistic.

In this regard we propose:

#### 49. To Curb Inflation

To halt the inflationary process through a vigorous and combined policy that substantially increases the supply of commodities, cuts financial costs by lowering interest rates, moderates and spaces out rises in public sector prices and rates and gradually slows the peso's slide. To reinstitute price controls for the basket of essential goods and undertake a sweeping reform of the supply and marketing system to limit unnecessary middleman operations and protect the producer and the consumer.

#### 50. To Reactivate the Economy

To channel the monies freed up by decreased foreign debt payments into productive investment through a national reconstruction program and a specific fund to restore the capacity of the companies hardest hit by the crisis. To reorient development in accordance with the priorities of national integration and genuine modernization, thus achieving sustained growth rates commensurate with our operating capacity, the available work force and the noninflationary expansion of the infrastructure.

#### 51. To Promote Employment

To make good the constitutional right to a job through concerted programs by branch of activity aimed at multiplying job sources in proportion to demand and at improving current ones. To balance high-yield investments with others that generate more employment, such as small and medium business. To closely coordinate the school system and industry, and to establish a national labor system in charge of training that would facilitate both technological gains and the movement of workers.

#### 52. To Bolster Wages and Consumption

To restore the buying power of wages to their highest level in history (1976), backed by cuts in prices and phased-in increases in income that provide incentives for productivity and stimulate demand. To keep wages invariably ahead of price increases and to assure that they are fair and remunerative; to automatically adjust minimum wages so that they fulfill their constitutional objective. To bolster the consumption of the largest sectors by promoting consumer organizations, expanding credit and reorienting lines of production in keeping with real needs.

#### 53. To Redistribute Income

To gear the recovery strategy towards a substantial improvement in the distribution of income and the expansion of the domestic market and social consumption, applying whatever corrective measures are necessary to counter the severe inequality by groups and regions. To cut taxes on income from labor and on mass consumption items and to expand the distribution of



profits. To legally establish the Executive Branch's obligation to submit an annual report on the distribution of income that will make clear the origin of tax revenues and the areas of government spending, as well as pricing, profits, jobs, wages and consumption policies.

#### 54. To Promote Productivity and Innovation

To systematically improve the productivity of management, business and the economy by streamlining and decentralizing processes, improving capabilities, encouraging excellence and competition and promoting participatory organization and management. To develop our own technical and scientific infrastructure that will encourage and utilize innovation at all levels and reduce the excessive penetration of foreign technologies, backed by a national scientific research system that will comprise all appropriate institutions.

#### 55. To Assure Self-Sufficiency in Food

To urgently achieve self-sufficiency in food by spurring agricultural and livestock, fisheries and agro-industrial output and turning them into high-productivity activities that will supply the markets, boost the income of the rural sector and provide a decent life for peasants. To suspend the concessions for food exports and their transnationalization and to promote supplies for domestic consumption and the organization of producers. To assure producers remunerative prices and to provide them with the necessary loans and technical equipment.

#### 56. To Integrate Industry

To establish an industrial development plan, in line with the country's needs and resources, that will rationally coordinate research, engineering and production, as well as the supply and demand of final consumer, intermediate and capital goods. To lessen dependence on imported inputs and to promote the export of manufactures, backed by the expansion of the domestic market. To reassess industrial reconversion to extend its benefits to the rest of the economy and to foster the advancement of Mexican technology.

#### 57. To Rebuild the Public Economy

To halt the dismantling of the parastate sector that has been agreed upon with foreign countries and to make public the criteria and conditions for the sale of enterprises. To restore the constitutional function of the public economy and its character as the physical foundation for sovereignty. To strengthen strategic areas and to legally establish the criteria for the definition of priority areas. To expand the involvement of experts and workers in the sector's planning, to democratize its management, to promote initiative among states and municipalities, to support their financing with their own funds and through the issuance of bonds and debentures, and to assure high economic and social yields.

#### 58. To Finance Development

To finance development primarily with domestic funds instead of incurring further international debts that are not backed by surpluses in the external sector. To promote domestic savings and to channel public sector savings that are now earmarked for interest payments into productive investment; to enhance the efficiency and equity of the tax system and to tax speculative profits and transfers of capital overseas. To rebuild the nationalized banking system by returning its powers to it, to make credit less expensive and to prevent the monopolization of financing on the securities market.

#### 59. To Reduce Dependency

To reduce the vulnerability and dependence of our economy on the outside world through an effective, nationalistic regulation of trade, financial and exchange rate policies that will defend the value of our currency, protect Mexican industry and promote its genuine modernization. It is indispensable to establish a flexible and efficient exchange control system, to use tariffs to modulate the economic opening, to review tourist policy and assembly-plant policy and use the foreign exchange that the country earns to spur our development program, earmarking only a small percentage for debt servicing.

#### 60. To Concert Development

To establish a true system of democratic planning based on a dialogue among and the participation of all social sectors and economic actors and on the effective functioning of federalism. An autonomous and representative body will be responsible for drafting and publicizing the national development plan, and the Congress of the Union will verify that it is constitutional, will approve it and will periodically monitor its implementation. Citizen power will stand behind this new national compact.

#### Mexicans:

These are the essential conclusions that we have drawn from our experience and convictions. This is the fruit of countless sessions at which we have shared the ideals, concerns and demands of our fellow countrymen.

It is not, however, a final text, nor could it be. It is just a proposal for collective reflection and for consequent political action. A responsible contribution to the national debate on our present and future.

We invite all of our fellow party members, urban and rural workers, young people and women alike, to fully exercise their rights as members and to join this effort against authoritarianism and at salvaging our sovereignty and rebuilding the country.

We invite all democratic and progressive forces in the republic to join together in a patriotic alliance to halt the counterrevolution and the subordination of the country to outside interests.

We invite all citizens, regardless of their creed, party or ideology, to take up their responsibility to democracy and to become individual promoters of the changes that Mexico demands.

We will not yield to the high and mighty, nor will we violate the trust that many have placed in us. We are aware of the people's civic maturity, their rejection of high-handedness and injustice and their capacity for commitment at crucial times for the nation.

It is the inescapable duty of this generation to safeguard the constitution through action and to defeat politically the groups and alliances that are undermining it.

It is up to this generation to choose between submission to outside interests and a complete release of the nation's energies to regain our independence and sovereignty.

It is incumbent on this generation to put an end to pretense, to establish respect for the vote and to inaugurate the age of democracy, marked by the unrestricted enjoyment of civil rights and the fulfillment of social responsibilities.

Mexico, a country with a history of struggle, cannot allow itself to be overcome by complicity and resignation. Mexico, a country of young people, cannot continue to look on as its political structures grow obsolete and public morals decay.

Let us all join the civic battle. Politics is the link between planning and reality. It is the rebellion of reason against the supposed inevitability of events and the assertion of the will over the course of history.

Let us build among us all a national movement against imposition and the status quo. Let us not allow anyone in any capacity to usurp our future.

For democracy and social justice without surrender.

Democratic Current Institutional Revolutionary Party  
Mexico City, 9 September 1987

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## Background, Follow-Up to Resignation of Cabinet

### Dissatisfaction in NAR

32980095a Port-of-Spain TRINIDAD GUARDIAN  
in English 23 Nov 87 p 1

[Text] National Alliance for Reconstruction (NAR) parliamentary and local government representatives have called on Prime Minister A.N.R. Robinson to come down hard on senior Government Ministers and "other high-ranking Government officials" who have recently been making critical statements publicly rather than within the party.

A release yesterday signed by NAR general secretary Bhoendradatt Tewarie said the party's Parliamentary Arm called on Robinson to "use his full powers under the constitution and the law to achieve discipline, cohesion and teamwork at the level of the Cabinet."

The release also said the decision to call for prime ministerial action came during a meeting Saturday, after External Affairs Minister and NAR deputy leader Basdeo Panday had read part of a public statement prepared for delivery later that day, and then left the meeting. (See "Panday sees coming of new group").

### Heated Deliberations

Panday's action led to three and a half hours of "open, and sometimes heated, deliberations," the release said.

The Saturday meeting at the Chaguanas Junior Secondary School, Lange Park, Couva, presided over by Robinson, was attended by some 60 NAR senators, MPs and members of local government bodies. According to the release, Parliamentary Arm, members present set aside their agenda after Panday's departure and expressed unhappiness about "statements recently reported in the Press and attributed to other high-ranking Government officials."

The release said:

"The Parliamentary Arm was unanimous in its view that such behaviour could not be condoned and should not be allowed to continue.

"Members felt that such behaviour was not in the best interest of the party, helped to undermine the work of Government and created opportunities which could be exploited to create division in the society.

"Several members expressed the view that the place for discussion and exchange of views was within the party and under no conditions should this occur on public occasions or in the news media.

## Reshuffle of Cabinet

"Certain members actually called for the removal of some Ministers and for a reshuffle of the Cabinet. After three and a half hours of open, and sometimes heated, deliberations, the meeting agreed that the Prime Minister should use his full powers under the Constitution to deal with Cabinet ministers who sought to undermine the Government, so that the difficult task of national reconstruction could be addressed."

The Guardian learned last night that among those absent from Saturday's meeting were several Cabinet ministers, including those who have been making the public statements condemned by the Parliamentary Arm.

According to reports, NAR Ministers not present included Works, Settlement and Infrastructure Minister John Humphrey, Planning and Reconstruction Minister Winston Dookeran, Energy Minister Kelvin Ramnath, Labour Minister Albert Richards, and Health Minister Dr Emanuel Hosein.

Also absent was Nizam Mohammed (MP for Tabaquite), who has spoken out critically in the past, but who was said to be, by virtue of his position as "Speaker in the House of Representatives, not a member of the NAR Parliamentary Arm.

### Humphrey on 'Plot'

32980095a Port-of-Spain TRINIDAD GUARDIAN  
in English 23 Nov 87 p 1

[Text] Works, Settlement and Infrastructure Minister John Humphrey has spoken of a plot to destroy and discredit him.

"I know of a senior Government Minister who lied deliberately to destroy me," he told Saturday's long service awards ceremony of the Sugar Industry Labour Welfare Committee at Brechin Castle, Couva.

"John Humphrey is neither a rose nor a thorn and does not care about the trappings of power," he said.

He said the country was rolling backward, and in fact had stalled, throwing more and more people on the breadline.

He repeated his earlier warning that unless the Government made serious attempts to provide jobs, there would be social unrest.

At the present rate, warned Humphrey, the unemployment figure will reach 50 percent of the labour force by 1991.

"This is not information to be kept private," he said, "for the way to solve the problem is to confront it."



He told the gathering he had made the mistake of saying this publicly before, and "all hell broke loose, but when you speak the truth it liberates you from confusion."

#### **Robinson Reply to Attacks**

32980095a Port-of-Spain TRINIDAD GUARDIAN  
in English 24 Nov 87 p 1

Article by Political Reporter: "Robinson Warns of Attempts To Bring Down the Government"]

[Text] Prime Minister A.N.R. Robinson was warned of active moves by elements within the society to cause the collapse of the 11-months-old National Alliance for Reconstruction (NAR) government.

Mr Robinson sounded the warning when he addressed Saturday's meeting of the NAR's parliamentary arm during which he called on government parliamentarians, to face up to the challenge of delivering good government to the people.

He stressed there were civilised means of resolving differences and that party members should use the avenues available in the party in order to resolve those differences. Emphasising the need to turn the challenges that face the society today into creative opportunities, he cautioned that because the NAR was now responsible for what happens in the country any failure would rest squarely on NAR members.

#### **Investment Mission**

The group, which comprises members of Parliament and the Local Government bodies, met for the first time since the September 14 Local Government elections, and Mr Robinson's return from his overseas trade, diplomatic and investment mission.

Mr Robinson, who is chairman of the group, in dealing with the trip, said there were many countries looking to Trinidad and Tobago for a solution to the problem of taking a country from the stage of underdevelopment and dependency, to the stage of genuine and systematic development.

#### **Work Steadily**

He appealed to the group to rise to the level of leadership required to ensure that the NAR remains a party which can bring people together, and which we will work steadily to strengthen ethnic solidarity and social cohesion.

Saying he was heartened that the party and the population in general had rallied to his appeals in the past, Mr Robinson told the meeting:

"There is need for party members to maintain a constant alert because there are elements actively at work in the society with the clear objective of bringing about a collapse of government and creating conditions of instability."

Attempts by the Guardian to get Mr Robinson to elaborate on this point last night, were fruitless.

#### **Panday Defense of NAR**

32980095a Port-of-Spain TRINIDAD GUARDIAN  
in English 24 Nov 87 p 1

[Article by Gail Alexander: "Panday: Ruling Party Is Not Heading for Downfall"]

[Text] Denying allegations of a split in the ruling National Alliance for Reconstruction (NAR), External Affairs Minister Basdeo Panday who made certain statements about the party on Saturday, says that he is merely concerned about difference of opinions in the NAR.

"What I did on Saturday was to make a call for national dialogue," said the NAR deputy political leader to the Guardian yesterday, "There is a difference of opinion in the NAR which needs to be resolved, but that does not mean that the party is headed for downfall or is in the process of breaking up."

"Unfortunately, in this country we have become accustomed to a certain type of political system, where some people react sharply when I make a call for national dialogue in my way."

Addressing the 35th anniversary celebrations of the Sugar Industry Labour Welfare Committee at Brechin Castle on Saturday, Panday had reportedly predicted "a new grouping of forces" and described the most troublesome problem in the country as "conflict between those who want change and those who do not."

#### **National Level**

Just before, Panday had aired similar views at a meeting where NAR's Parliamentary and Local Government representatives then called on Prime Minister A.N.R. Robinson to come down hard on "high ranking Government officials" who have been making critical statements publicly rather than inside the party."

Certain members reportedly called for removal of some ministers and a reshuffle of Cabinet.

Sticking to his statements yesterday, Panday said:

"We are facing a national issue and I aim simply making a call for national dialogue. What we have here is a difference of opinion—whether matters should be discussed at national level or in secret. There are persons who do not wish to have matters discussed freely, but

that is natural because they have lived under a type of political system—a political monolith in this case—where any difference of opinion is a shattering event.”

“But,” he continued, “that does not mean that there is a split in the party I can assure you that the NAR, Government and the society is as solid as ever. There is not and there will not be any breakup.”

Ruefully noting that his remarks had been sensationalised, the minister added:

“I suppose it’s only natural given the political system to which we have become accustomed, but there is no need to panic about the situation.”

Contacted yesterday, NAR General Secretary Bhoë Tewarie who had signed the parliamentary arm’s news release, said that the resolution passed at Saturday’s meeting was one which had already been proposed and taken at an NAR National Council meeting earlier this year.

He declined to elaborate on the issue except to say:

“Many party members are worried and concerned, some are upset. My plea to all members is to be strong and hold our party together no matter what.”

“This is clearly a difficult time for the NAR, the Government and the country. But we simply have to summon up the courage and rise to the occasion. There are many crises in the history of every country and this is but a small one which we shall soon overcome.”

Reliable sources told the Guardian that the issue “will inevitably” be raised and discussed at Sunday’s meeting of the NAR National Council at St Augustine Senior Comprehensive school.

#### **Impact on Investors**

32980095a Port-of-Spain TRINIDAD GUARDIAN  
in English 24 Nov 87 p 1

[Text] Most important missing ingredient which would assist in turning around the country’s financial problems has been identified as “confidence,” by former government minister Overand Padmore yesterday morning.

In a television interview on the Dateline programme Mr Padmore, who held the portfolios of Education and National Security among others, in the previous government, argued that investors would not be encouraged by government ministers making uninhibited and contradictory public statements.

He also saw some of the ministers’ action as openly criticising the leadership of the ruling National Alliance for Reconstruction (NAR).

Mr Padmore, who said the economic climate was the main reason for the defeat of the PNM in the 1986 general elections, contended the one thing which would turn around the country in the short run must be investment—foreign and domestic.

But the investor is a very peculiar animal and before he puts one penny in the economy of Trinidad and Tobago, he must have confidence.

He continued:

“And I think the ingredient that is most lacking in Trinidad and Tobago today is the ingredient of confidence and in the absence of that, I don’t know that we can look forward to getting very far forward.”

#### **Ministers’ Reaction**

32980095a Port-of-Spain TRINIDAD GUARDIAN  
in English 27 Nov 87 p 1

[Article by Gail Alexander: “Panday: I Still Stand By My Call for National Dialogue”]

[Text] “The Prime Minister must act as he sees fit,” said Basdeo Panday yesterday, “but I still stand by my previous statements and my call for national dialogue on certain issues that are causing problems. People in the society are feeling alienated and it is important for us to have national dialogue to resolve this; it is an integral part of the NAR manifesto, we said so.”

#### **Surprise Call**

Panday spoke to the Guardian yesterday, just after he handed in his resignation as Minister of External Affairs and International Trade, following Prime Minister A.N.R. Robinson’s surprise call for resignations of Cabinet members at the end of yesterday’s session.

“I don’t feel ‘no how,’” Panday said. “I have no idea what could have brought this on but the Prime Minister is authorised to appoint the Cabinet, and he can act as he sees fit. The announcement is no surprise to me. After 22 years of being in this struggle, one learns not to be surprised at anything. Right now I am trying to clear some work off my desk.”

He said he thought that according to the legal position, his appointment would remain intact until revoked by President Noor Hassanali.

Panday, who is Deputy Leader of the ruling National Alliance for Reconstruction (NAR), reaffirmed his commitment to the party, and the people of Trinidad and Tobago. He said that the action would not affect this post in the NAR since “that is a matter for the party, and not a Government concern.”

Ken Gordon, who handled the Industry, Enterprise and Tourism portfolio, also put his views across after yesterday's fateful Cabinet meeting.

"Prime Minister Robinson had every right to do what he did, if he felt that in the country's interest, he needed to take another look at his right-hand men."

#### Recent Statements

"I resigned immediately, he said. "It seems as though problems which surfaced recently came to a head at some point, and if this is the way he has chosen to handle it, that is his choice—I have no problems with that."

Gordon said that as soon as his resignation is accepted, he intended to stop performing in his capacity as Minister.

"How I feel isn't important—it is important that the country gets sorted out."

Member of Parliament for Princes Town, Jennifer Johnson who was Minister of Youth, Sport, Culture and Creative Arts, had anticipated the call for resignations. She said yesterday.

"It was no surprise to me, I expected something like this to happen in the light of recent statements from some members of the party. The Prime Minister's call for resignations was no doubt an obvious attempt to re-evaluate the situation. It was inevitable under the circumstances."

Johnson said she had enjoyed her duties as Minister in that particular Ministry, and added that she would be glad to resume duties if called upon to do so.

#### Private Citizen

Former Health Minister Dr Emanuel Hosein was clearing out his desk yesterday when contacted by the Guardian, but took time off to say:

"My feeling as a private citizen? Well, it could be reasonable to conclude that the call for resignations was the result of certain issues in the air now. The situation may have reached a point where reorganisation was convenient to handle this."

Hosein said he had been invited to a function last night in his capacity as Minister and the boxing match tonight as well, and intended to attend both.

Speculation in the media about a Cabinet reshuffle seems to have been on target, according to ex-Minister of Education.

#### Total Confidence

"It wasn't ruled out altogether because of talk in the press, but I can't say what brought it on. I know the 1988 Budget is coming, and perhaps the Prime Minister might have wanted to get certain matters out of the way before finalising this (Budget)."

"Whatever happens, happens—I have total confidence in the Prime Minister, no matter what," he added.

Minister of Legal Affairs, Attorney General Selwyn Richardson, said yesterday that any return to his Red House office "would depend on what happens within the next 12 hours."

Efforts to contact Minister of Planning and Reconstruction Winston Dookeran proved futile since he did not return to office following yesterday's Cabinet session. Kelvin Ramnath who held the Energy portfolio was not available for comment his secretary said.

Former Food Production Minister Lincoln Myers was said to "be in a long meeting" all afternoon, nor was former National Security Minister Herbert Atwell available for comment. Ex-Labour Minister Dr Albert Richards was "not in" either.

Junior Finance Ministers Selby Wilson and Trevor Sudama, who are not members of Cabinet, declined comment on the situation.

Those contacted yesterday, said they have no immediate plans and "just watching to see what materialises" within the next 24 hours.

#### Power Play

While the members of the former Cabinet were mostly non-committal about yesterday's development a reliable, highly placed source told the Guardian that the situation was the result of a power play, and expressed concern about its impact on Trinidad and Tobago's international image as a place of political stability.

"Plain and simple, this is what it is—such action was too drastic, but obviously it was the result of events that occurred over the weekend and statements made after. But if efforts had been made to discuss that situation openly and try to defuse it, the call for resignations would not have been necessary."

#### GUARDIAN Assessment

32980095a Port-of-Spain TRINIDAD GUARDIAN  
in English 27 Nov 87 p 8

#### [Editorial]

[Text] Prime Minister A.N.R. Robinson delivered a shocker at yesterday's routine Cabinet meeting when he called for the immediate resignation of all the Ministers. They came out stunned, not so much by the action as the timing.



Everybody had seen that the power struggle inside the ruling National Alliance for Reconstruction was coming to a head. We expected something to happen by weekend but certainly not so soon.

Did Mr Robinson have any other choice? We think not. The sight and sound of Ministers publicly lambasting their own Government had become unbearable. Even the Prime Minister's plea for restraint last Saturday had been immediately and publicly ignored by a senior Minister Basdeo Panday, who let out a most regrettable blast of criticism.

#### The Last Straw

This week's "declaration of war" by Minister John Humphrey was the last straw. Bad behaviour in Cabinet was one thing. Publicly threatening to retaliate against certain people in the party was going beyond the boundary.

We must support Mr Robinson's action. The principle of Cabinet responsibility cannot be so blatantly and consistently ignored in any system. The NAR must start the game again, with a new set of rules, and probably some different players in the Cabinet.

The Prime Minister's task in selecting a new Cabinet is a most difficult and ultimately unsatisfying one, as he is sure to displease as many people as he pleases. We urge the population to understand and sympathise with him as he goes about it.

First of all he must find a majority of able people from among the elected members to fill the Cabinet posts, and select a few others as Senator-Ministers. He must find a lawyer to be the Attorney General, and people with some specialist skill to handle ministries like Health, Works, and National Reconstruction.

The PM must ensure that he selects a team that includes people from the major power blocs in the NAR, that he has women, and a mixture of experienced and youthful talent. He even has to make sure that there is an ethnic and geographical balance in his team, and that he doesn't leave out Tobago.

Advice will be pouring into Mr Robinson's ears from all sides, but the final responsibility is his alone. The public should understand that the PM cannot please everybody, but must do what he deems best for the nation, and give him some support for his final choice. We would not like to see another bout of squabbling, criticism, and hurling of charges once he announces the new team. That is precisely what caused him to dissolve the old cabinet in the first case.

Mr Robinson has to keep some of the former Cabinet who have displayed ability and kept out of public confusion, such as Ken Gordon, Winston Dookeran, Emanuel Hosein and Selwyn Richardson. He may have to upgrade some junior Ministers or Parliamentary Secretaries, and look among the elected 33 for Cabinet material.

#### Strong Contenders

Certainly some Ministers will have to go. Apart from those who precipitated yesterday's action by their public criticisms, there are others whose non-performance has been embarrassing the Government and who were prime candidates for demotion in the first reshuffle.

Then of course space has been opened up for new Ministers, and we see NAR secretary Dr Bhoe Tewarie, and Karl Hudson-Phillips as strong contenders.

Whatever the decisions, the public must understand certain things. Our country's political stability is not threatened, as the NAR retains a powerful majority. What we are seeing is a political shakedown and a realignment of political forces, which happens in many countries without upsetting the political system.

We should not concern ourselves too much about a new Cabinet; that we will get. Those who cannot help worrying would do well to direct their attention to the coming Budget.

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#### Election Analysis Done for PNM Cites 'Dying Base'

32980096b Port-of-Spain TRINIDAD GUARDIAN  
in English 10 Nov 87 p 1

[Article by Political Reporter: "Party Needs To Attract Young People—Polls Analysis"]

[Text] Voting base of the People's National Movement (PNM) is a "dying" one—65 years and older—and if the party is to broaden its base it must attract young people.

This finding of an analysis done for the PNM of the September 14 local government elections was presented last Thursday to a special meeting of its general council.

The exercise was conducted through interviews of party personnel, answers from a questionnaire and data from the Elections and Boundaries Commission, relating to the 1986 general election which the PNM lost to the National Alliance for Reconstruction (NAR).

According to the report, between the general election and the local government election, there was an 8.5 percent swing to the PNM and a corresponding seven percent swing away from the NAR. It argued:

"Transformed to the general election level, this would have resulted in PNM obtaining 11 constituencies to the NAR's 23."

Among suggestions to increase its base support, according to the document, which it said represented the views of respondents, are that:

#### Generation Of New Ideas

- The PNM must make every effort to attract the ethnic groups and various classes in the society;
- Constituencies must generate new ideas, and be innovative;
- Efforts must be made to have a good blend of continuity and change, to allow the base support to be broad, retain the current base support and build ground for new support; and
- Develop a younger base support.

The document said the "PNM base is a dying vote, 65 years plus. Therefore, a younger base support has to be developed. This effort has to be centrally coordinated and a party policy on this has to be established."

On some of the problems experienced in the local government campaign, the report noted that election committees in most instances were not formed or, if formed, failed to function; this occurred at both the constituency and electoral district levels.

The report added that the election day machinery was adequately staffed but pointed to instances when the machinery broke down for various reasons, and the PNM suffered the consequences at the polls.

This was particularly noticeable with the heavy showers that occurred in the mid-afternoon. Some areas were unable to respond to the changed circumstances, and could not turn out the voters.

Another problem area was campaign finance. The seven-member team headed by Martin Joseph, a statistician, noted on this score:

#### The Changed Circumstances

"In most areas this was a major problem. Most constituencies did not have money to provide financial assistance to the candidate. Candidates were forced to obtain financial assistance, and some had difficulties in obtaining assistance and their election campaigns suffered because vital inputs had to be done without.

"Some areas had no difficulty in obtaining funds as party groups held fund-raising activities and provided the proceeds for the election effort."

The bottom line in the report is the assertion that the future of the PNM is bright—if the correct measures and actions are taken now.

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